a present from the Marqs of Lansdown

NEW AND OLD PRINCIPLES OF TRADE COMPARED;

OR A

TREATISE

ON THE PRINCIPLES

OF

Commerce between Nations;

WITH AN

APPENDIX,

RESPECTING

I. The Principal *general* Means of aiding Commerce.
II. The Balance of Trade.
III. The Pre-eminence of Agricultural Induſtry.
IV. A Compariſon of Prohibitions, Bounties, and Drawbacks.
V. The Commerce of Grain.
VI. Navigation Laws.
VII. Laws concerning the Intereſt of Money.

Et penitus toto diviſos orbe Britannos.

Virg. Ecl.

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MDCCLXXXVIII.

TO THE

MOST HONOURABLE,

THE MARQUIS OF LANSDOWN,

THIS TREATISE IS INSCRIBED

AS A

SINCERE AND RESPECTFUL

TRIBUTE,

DUE TO THE

LIBERALITY OF HIS LORDSHIP'S

PUBLIC PRINCIPLES,

AND THE

IMPORTANCE OF HIS

PUBLIC SERVICES.

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THE

PREFACE.

IT is proper to notice a few detached circumſtances by way of preface.

The following treatiſe was written not ſo much to prove, as to defend opinions. I therefore conſulted in it the works of the opponents, rather than of the friends of the free ſyſtem of trade.—The notes ſince added will not diminiſh the pleaſure to ariſe from a complete peruſal of the performances from which they are borrowed.

With reſpect to the writers on theſe ſubjects, I know of none who have treated of commercial liberty in expreſs detail and with a view to remove objections, before the French. I do not refer to particular paſſages in Fenelon* and others; but

* Much is ſaid of the beauties of Fenelon's Telemachus and little of its precepts, which contain the ſeeds of all the ſentiments, if not of all the doctrines of modern political œconomy. The temple of Gnidus of Monteſquieu, ſeems to rival Telemachus in points of taſte and deſcription, but Monteſquieu in his writings on the ſubject of political proſperity, has ſcarcely made nearer approaches to the truth, than Fenelon; and he certainly fell ſhort of him in courage in declaring it.

to the works of the *Oeconomiſtes*, who firſt reduced the free ſyſtem to elements, and gave to it its modern preciſion and extent. The French writings (and ſince we owe them the praiſe, let us chearfully give it) have long abounded in eloquent leſſons of philanthropy, which have ſenſibly affected the way of thinking of European authors; and conſequently muſt ſooner or later influence the manners of the weſtern world, and thence of all the earth. —— With the exception of a few enlightened perſons, eſpecially in Scotland, the free ſyſtem of commerce has been little patronized by the writers of our own iſland; and indeed unleſs in Flanders, which is deeply intereſted in a tranſit trade, we have ſeen it favoured in its full extent by few European traders in modern times.

The pages here preſented to the public are ſilent as to mercantile companies; for the public has objects more important even than its commerce. The queſtion reſpecting the Britiſh Eaſt India company in particular, ſtands involved in deep conſiderations of domeſtic and foreign politics; and there are many monopolies which muſt ſubſiſt, till indemnity ſhall be given to the holders. — Happy would it be for Europe and for India, could India become ſelf-governed, under

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the auſpices of her ancient freedom of trade and her ſober ſyſtem of morals; from which principally her arts and wealth ſeem to have ariſen. Our Chineſe trade is embarraſſed neither with wars, forts, nor expenſive eſtabliſhments, compared with the burthen of which, the commercial impoſitions we ſuffer in China, deſerve no mention; which is ſolely owing to China being an independent power. It is not indeed meant to commend a trade which conſiſts of an exchange of uſeful articles on our ſide, for agréeable articles on theirs; but our Eaſt India trade in this reſpect can claim no preference over that to China.

I have no where employed the terms of *active* and *paſſive* commerce. If by active commerce is meant, diligence in the production of commodities, I accede to the diſtinction; but by no means ſo, if it is merely in queſtion, whether commodities ſhall be exchanged at home or abroad. It may be convenient to ſome nations to be active abroad in ſearch of foreign markets; but others may find no detriment in waiting for the appearance of foreign traders at home. — For example, I have juſt ſhewn the poſſibility of navigating many thouſand miles to purſue a loſing eaſtern commerce, in a caſe too where the advantage falls to the leſs civilized over the more civilized people.

The new governments of North-America may offer another inſtructive inſtance in this particular. — If theſe governments purſue their advantages for agriculture; if they admit the manufactures of Europe, rendered cheap by bounties and by the real advantages attending the arts in rich and populous countries, without regard to their own manufactures, (which will always be eſtabliſhed with eaſe, when their eſtabliſhment is beneficial;) and if they avoid politics; they may outwit, by a natural conduct, a multitude of nations who think themſelves wiſe becauſe their plans are intricate. It cannot be uſeful for America to be noticed at preſent in Europe, otherwiſe than by her good ſenſe: ſhe ſhould grow to greatneſs, like the trees of her wilderneſſes, in the midſt of ſilence and retreat. Nothing can check her population depending upon a facility of ſubſiſtence; or oppreſs her ſtrength ſpringing from numbers, ſituation, and knowledge. If Europe does not treat America with wiſdom, America would do ill to copy the weak example of thoſe whom the diſcipline of experience has not yet been able to inſtruct. She has the peculiar happineſs of being able to ſhape her courſe free from the influence of her *own* errors and thoſe of *others*; beginning where all nations may be happy to end.

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The proteſt which I ſhall be found to have entered, againſt raſh changes in the regulations of commerce, cannot be renewed too often. In a work dedicated to the purſuit of principles, a detail of the neceſſary exceptions, which muſt be different in different countries, cannot be expected; eſpecially as thoſe they intereſt, will not be wanting in ſuggeſting them. I ſhall rather make the following obſervation. —— In tracing original principles, we muſt contemplate the *natural* circumſtances of man; but in applying theſe principles to practice, we muſt conſider his *actual* ſituation. In modern commerce, we have to allow not only for the pardonable errors of traders themſelves, but for the faulty eſtabliſhments they have made under the ſanction of laws or long continued ſyſtems of adminiſtration. If we attempt violent and ſudden alterations, we may be diſappointed even in our purſuit of wealth, and we ſhall certainly injure the more weighty concern of juſtice.—To attain therefore the knowledge of ſound principles, is but a part of our object; we muſt know when and how to introduce them into action. Almoſt every Scylla in politics has a Charybdis in its neighborhood; and we muſt remember that *in vitium ducit culpæ fuga, ſi caret arte.*

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This caution is not deſigned to counteract the original view, with which this treatiſe was written. The public muſt ſteadily purſue its intereſt; but not *per fas & nefas*. It muſt ſometimes purchaſe a liberty to uſe its original powers, by making compenſations for the reſult of its own intervening laws; it muſt avoid adding new errors to old ones; it muſt reform its national foreign politics; it muſt pave the way for happier times; and it muſt execute ſome of thoſe many meaſures, which are for the benefit of all and injurious to none. — Though I have intimated in what follows, that there is a *ſpeculative* limit to proſperity in politics, a ſtateſman muſt adopt for his conſtant motto that of Charles V. *plus outre*.

I ſhall be ready to acknowlege any miſtakes into which I may find I have fallen, but I ſhall unwillingly mix in diſputes which time alone ſhall ſeem likely to diſſipate.

Conceiving peace to be the beſt friend both of commerce and of mankind, I think it proper to intimate, that I meditate the publication of another ſhort treatiſe under the title of PACIFIC PRINCIPLES.

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This

This work having been printed from an imperfect copy, the author has pointed out the following corrections and alterations as of most importance.

Page 29, l. 17, dele "apparently."

32, Note, l. 5, after "formerly," insert "the check given to intails and "gifts in mortmain, the subdivision of labor."

64, l. 29, after "appear" insert "by a reference to Mr. Baring's calculations."

70, l. 29, for "value" read "price."

78, Note, l. 6, for "least" read "last."

91, Note, l. 6, for "charge" read "change."

96, at the conclusion of the note, add, "especially when the foundation of property in land is considered."

117, l. 15, for "station" read "destination."

The following are of less moment, though noticed in justice to the author.

Page 21, l. 13, read "easy means."

28, l. 10, dele "it was."

32, l. 22, for "this" read "their."

44, l. 18, for "academical" read "scientific;" and dele "other."

— 19, dele "more."

48, l. 15, read "orders."

62, l. 19, dele "I now go on to agriculture."

—Note, l. 4, for "occurring" read "brought to light."

63, l. 32, for "these" read "the above."

64, l. 18, for "a disagreement" read "the above disagreement."

67, l. 19, for "trifles" read "superfluities."

71, l. 20, for "of case," read "case of."

73, l. 14, for "return" read "compensation."

—Second Note, l. 1, dele "possibly."

76, l. 17, dele "in."

77, l. 7, read "when this happens, that."

86, l. 16, for "the" read "being a."

88, l. 10, place "70." before the paragraph.

108, l. 7, after "9" insert "The author of the Three Tracts, &c. "has the following passage, worthy of recital here, viz."

113, l. 23, read "country where *ships*."

114, l. 16, for "serves" read "respects."

OF THE

PRINCIPLES

OF

Commerce between Nations.

CHAPTER I.

INDIVIDUALS, who depend upon themſelves for their ſupport, naturally apply their labour to ſuch objects as they can beſt accompliſh, and purchaſe from their neighbours ſuch articles of uſe or conſumption as it would be difficult for themſelves to produce. —Are the intereſts of political ſocieties, in this reſpect, different from thoſe of individuals? Two ſyſtems have been maintained, upon this ſubject, in modern times by European writers, of which, unfortunately, only the worſt has of late been reduced to practice.

It has been the general object of one of these systems to seek a great *variety* in the species of its productions; to procure sundry preferences for its favorites, either in buying or selling; and to employ bribes and penal laws (in some cases supported by expensive treaties) to remove the competition of foreigners. This system, it is to be observed, has been particularly adhered to in the home-market in the case of subject against subject, (the legislature, upon the principle that its duty is to subdue difficulties, usually taking part here with the few subjects against the many.) This system may be called the system of MONOPOLY; and it has lately been common to all European nations. —The system of FREE TRADE, on the other hand, preferring abundance to ostentation, would force nothing but a disposition to industry; concluding, that if one nation raises flax with most success, and another wool, the sum of these commodities must be augmented in the world, when each nation devotes itself to its separate talent; and that, upon exchanging the two commodities, each nation will have a greater share of the two conjunctively, than if each had attempted to raise them both at home. But, besides thus multiplying the mass, and circulating the exchange of products throughout the universe, it is affirmed, by the favorers of this system, that the animosity and bloodshed, supposed to be generated by the other system*, would be abated, together with its prodigality, favoritism, and necessary mistakes.

Though

* Though I do not state it as the declared, or necessary, yet it has certainly been the *actual*, property of the narrow system, to be devoted to wars

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Though the controverſy reſpecting theſe ſyſtems is of recent date, yet a juſt deciſion in it is doubtleſs as important an object in politics, as any that can engage us. Voluminous works have indeed lately appeared on this ſubject; but, ſince many, whoſe only object is truth, ſtill ſeem either to adhere to the falſe, or to want a practical perſuaſion of the true, doctrine; I conclude, notwithſtanding the ability of the authors of theſe works, that nature and common ſenſe have not been enough truſted to in the diſpute. I ſhall, therefore, ſimply ſtate what to me appears the only juſt opinion; and, after drawing a few inferences out of it, principally employ myſelf in removing the difficulties of different natures to which it may ſeem liable.

of conqueſt and offence: while one of the chief profeſſed objects of the free-trade ſyſtem (as ſtated above) is to extinguiſh ſuch wars, and to encourage ſuch principles in our neighbours and in mankind generally, as ſhall leſſen the frequency of the occaſions even for wars of ſelf-defence. There is ſcarcely one writer on *free-trade*, at the preſent day, who does not make this pacific turn more of a primary, than of a ſecondary, conſideration. — On the other hand, there has been ſcarcely one of our latter ruptures with France, or other nations, which has not, directly or indirectly, originated from ſyſtems of trade or colonization founded in *monopoly*. In ſhort, eſtrangement and jealouſy, violence and revenge, by whatever cauſe they are ſet in motion, tend to war; while liberal intercourſe and exchanges ſeem to make the corner-ſtones of peace and concord.

CHAPTER II.

BY commerce, I preſume, is meant, that mode of acquiring the property of our neighbours, which depends upon a voluntary interchange with them of ſuppoſed equivalents. Purſuant to this definition, the true theory of this interchange, I think, may be compriſed in the following ſentence: *Climates, ſoils, and circumſtances, being differently diſtributed, and each contributing to man's accommodation, if every nation cultivates what is to itſelf eaſy or peculiar, all products will not only thus be moſt* abundant, *but, likewiſe, moſt* various *and moſt* perfect; *and, in order completely* to diffuſe them *among induſtrious nations, nothing more ſeems requiſite than the quickſighted intereſt of the trader, favored by facility of tranſport, by peace, and by commercial freedom.*

I ſhall, for a moment, conſider this as a ſelf-evident propoſition, in order to draw certain clear and natural corollaries from it, which ſeem to confirm its truth. —The firſt of theſe corollaries is, that nations ſhould ſeek to augment the *total* maſs and value of their commodities, rather than attempt to rival each other in any *particular* articles; or, in other words, ſhould conſult more to improve their own circumſtances than how to oppoſe their neighbours. — A ſecond inference, from this theory, is, that ſtateſmen ſhould principally befriend commerce by cheriſhing the *means* of production; and endeavour to fertilize

fertilize the ſoil of commerce, inſtead of regulating the ſpecies and the form of what it produces. A free trade, ſooner or later, will unerringly direct the faculties of a country; and knowledge, joined to wiſe manners and cuſtoms, good morals, and public ſpirit, (if favored by eaſy communications, under the ſafeguard of fixed juſtice and religious liberty,) will, in general, ſufficiently ſtimulate it to enterpriſe; particularly where the ſtate provides for it thoſe aids, which, though of general uſe, are not likely to be eſtabliſhed by mere individuals†.—A third concluſion is, that the poſition, that nations flouriſh in proportion as their exports are many and their imports are few, is inconſiſtent with the inſtitution of commerce; commerce not only being meant to procure us enjoyments, but naturally conſiſting in that complete interchange of commodities which is thus objected to‡. — A fourth deduction from the above fundamental principle is, that if commerce implies exchange, an attempt to open or to ſeize fugitive channels for commerce by the aid of expenſive wars, before induſtry is ripe on *both ſides* with articles to be exchanged through the medium in queſtion, is a meaſure that is premature and improvident; and that muſt often be the parent of uſeleſs ſtrife‖. — In the fifth

† This ſentence will be found commented upon, at large, in the APPENDIX, *Chapter* I.

‡ This alludes to the miſtaken concluſions gsnerally made on the topic of the balance of trade, which will be farther noticed in the APPENDIX, *Chapter* II.

‖ Hence the preſent maritime aims of Auſtria and Ruſſia, who may each rely on viſitants ſpontaneouſly frequenting their ports for ſuch trade as they have yet prepared, ſeem impolitic; and the more ſo, exactly in proportion

fifth place, though induſtry is beſt employed upon home objects, yet it ſeems wiſdom of a partial nature to force *one* ſet of ſubjects in a ſtate to give much of their property to another ſet, in return for little, by allowing them to buy and to ſell only between each other; particularly as the export of what is *ſuperabundant* in one country, in order to be exchanged for what is ſuperabundant in another, muſt produce a *double* gain to the public, (to wit, in the ſale and in the purchaſe.) — Sixthly, the diſmay of certain patriot minds, leſt other countries ſhould proſper beſides their own, is a proof that the competition of paſſions, in trade, is far more fatal than the competition of commodities; facts diſcovering that productions both of nature and of art always vary ſufficiently in every nation to promiſe advantageous exchanges; and, whenever the mart for theſe exchanges widens, the accommodation to follow from it to each nation ought to increaſe in proportion. — A ſeventh and concluding hint is, that, diſtorted as is the actual ſtate of our commerce in conſequence of impolitic laws, domeſtic and foreign, it is never too late for us to attempt a gradual and prudent return to common ſenſe; for, notwithſtanding individual traders may profit by a continuance in the preſent errors, yet a perſiſtance in monopoly-ſyſtems muſt neceſſarily injure the claſs of

proportion as their ſituation renders maritime defence ſuperfluous. Not leſs impolitic was our own bigotry at the peace of 1782, reſpecting the diſtant American waſte foreſt-lands; as theſe lands cannot, for ages, become ſerviceable to any, and leaſt of all to ourſelves, provided it ſhould continue our ſyſtem either to bribe or to force obedience from their growing, but remote, diſperſed, and naturally ſelf-willed, inhabitants.

traders

traders themſelves at large, ſince nothing can be more clear, as a general maxim, than that traders muſt flouriſh with trade.

Such ſeems to be the *theory* of commerce, viewed in a general light, and abſtracted from the interference of any particular ſet of circumſtances; and ſuch ſeem to be the *inferences* fairly ariſing out of this theory. — I ſhall not attempt any poſitive proof of this theory. I think it beſt to leave it to the teſt of paſt experience, of common ſenſe, and juſt ſentiments. — Much leſs ſhall I defend it as founded on *right*, notwithſtanding it reſpects, in its conſequences, all the inhabitants of the globe. I cannot indeed avoid ſecretly giving ear to the generous theoriſts, who aſſert that governments have no title to control mankind in the conduct of their private property; yet the cauſe of liberality, in the preſent moment, ſeems likely to be moſt ſolidly advanced by referring for ſupport here to the topics of expediency and of good politics, inſtead of founding it upon a poſitive claim.

As to *authority* and *example* (which have often been appealed to on the preſent occaſion) they appear to be leſs in favor of the modern monopoly-ſyſtem, than is perhaps ſuſpected.—Among the elder (herein including the Eaſtern) nations of the world, no diſtinguiſhing traces appear of a general deliberate ſyſtem of trading prohibitions and permanent bounties, eſtabliſhed for a nation's internal benefit. — Whether this has ariſen from a practical ſenſe, that ſocieties increaſe in wealth by vending dear and purchaſing cheap; or whether it has ariſen from a ſyſtem of tribute (rather than of trade) being connected with

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the ancient ſyſtem of conqueſt; or from a preference to the purſuit of agriculture; or from other cauſes prevailing among theſe nations; the fact itſelf appears incontrovertible, that favorable precedents in this quarter are deficient to the monopoliſt. — And if we are forbid to cite the general example of *ruder* nations to the ſame effect, it is fair to exclude, on the other hand, ſuch caſes of conſtrained trade, as appear to have originated from motives of jealouſy, from domeſtic or from foreign tyranny, from ſumptuary laws, or from other cauſes that were merely local or occaſional*.—Though monopolies in favour of particular individuals, and high taxes upon foreign articles, often had place in early feudal times†; yet the true æra, when a general ſyſtematic reſtraint was impoſed upon European commerce, ſeems to have been when petty ſtates (as well as individuals) in Italy and the Low Countries, as likewiſe in other parts, roſe into wealth and importance by the apparent medium of a trade of manufacture and of agency. Neighbouring ſovereigns, who were of themſelves too prone to jealouſy and avidity, to impatience and the uſe of force; when they became urged by particular traders and intereſted grandees, ſeem to have thought of no other mode of rivalſhip in this ſituation, but ſuch as was founded on violent laws for regulating trade; which laws being retaliated from abroad and growing habitual at home, gradually and unfortunately became, with few exceptions, univerſal in the Weſtern empires of the world. — I muſt

* See Monteſquieu's Spirit of Laws, Book 21, ch. ii. for examples of this.

† This aroſe rather from political motives, or motives of revenue, than from mercantile theories.

not

not allow myſelf to wonder at an error, which it was then natural to adopt and perhaps ſomewhat difficult to combat; but the ſeveral pleas for it may, it is to be hoped, by the aid of ſubſequent experience, be at preſent readily confuted. I ſhall now, therefore, proceed to conſider the various arguments adduced either in favour of the narrow, or in oppoſition to the liberal, ſyſtem.

CHAPTER III.

IN the following chapter I have undertaken to diſcuſs the principal of the various motives which have operated in regulating the commerce, and conſequently the colonization, and in a great meaſure the manners and politics of Europe, during ſeveral centuries, down to the preſent moment. Were the object of my taſk leſs intereſting from its different connections and aſpects, it would at leaſt remain curious in point of ſpeculation. I truſt therefore that proper allowance will be made for the variety of conſiderations, which it has been neceſſary to aſſemble here in a ſmall ſpace.

1ſt. *To employ, and thereby to enrich, ſubjects, preferably to ſtrangers*, was, doubtleſs, one prevailing motive for the monopoly ſyſtem. The motive was proper, but it was palpably miſapplied; for the capital and the ſkill of an unimproved country, not being equal to the ſudden ſupply of *all* its wants, thoſe occupations ought to have been firſt ſelected of which the purſuit would have been *moſt* profitable, and the omiſſion *moſt* detrimental.—Trade then was neither the ſole nor yet the firſt object, correſponding to this deſcription. When it is conſidered that the earth, in all popu-

lous and civilized countries is a *ſubject of monopoly*, it will ſoon appear that a preference is neceſſarily due in the firſt inſtance to agriculture, and to thoſe arts which give the largeſt vent for agricultural products; for if other advantages in agriculture are ſuppoſed to be counterbalanced by equivalent advantages exiſting in trade, nevertheleſs, ſo much of the landlord's *rent* as is founded upon his mere ownerſhip of the ſoil is a gain in agriculture, which has no real parallel * in trade. Other things therefore being equal, the more pure and ſimple are the earth's productions from being *rude* or *little* manufactured, the nearer muſt the purchaſe or the ſale of them in foreign trade, approach to the difference of paying or of receiving the value of this immenſe monopoly †. And if ſuch is the ſuperiority of agriculture, the ſupply of all the wants ‡ of thoſe who labour in it on the one hand, as well as the vent of all their commodities on the other, ſhould be facilitated as anxiouſly as poſſible, as the means of laying foreigners under the heavieſt contributions; or in other words, a free trade ſhould at all times *ſecond* agriculture.—Every other advantageous employment in a ſtate ſhould be treated on ſimilar principles with agriculture, and the parties concerned in it be aided in their purchaſes

* The land of the farmer and the raw materials of the artiſt, each call for labour to make them uſeful; and each require the aſſiſtance of various perſons for bringing to market what is produced from each. So far the two agree. They differ in the particular named in the text.—As to fair and natural *monopolies* derived from peculiar *inventions*, or from peculiar public or private good regulations of any kind; they are not confined ſolely to products of the arts; but occur alſo in the caſe of landed products, (where the total amount of their effect will be found to compenſate for any ſuppoſed want of variety in the inſtances.)

† See this ſubject diſcuſſed at large in the APPENDIX, *chapter* 3.

‡ Viz. of food, clothing, tools, materials for habitations, &c.

purchaſes and in their ſales, by means of freedom given to trade; and for ſimilar reaſons.—By thus aſſiſting each leading occupation in the ſtate, there would gradually ſupervene capital and population; and with theſe would ſucceed the ſeveral finer arts, whoſe appearance can never be precipitated, but with an immenſe expence that is too often abortive.

2. *To prevent the export of the precious metals* in exchange for foreign products, was formerly conſidered as a ſecond political duty, almoſt ſuperior to the preceding. But modern diſcuſſions have at laſt taught us that property may aſſume various uſeful ſhapes; and that, after having collected a proper ſtock of the precious metals for preventing the inconveniences uſually attending the neceſſity of barter and for other direct uſes, it is an extravagant folly to let any lie dead at home in hoards and treaſures *. Beſides, if England obtains ſilver from Portugal by means of goods, and then buys goods from China with ſilver, this is ultimately a trade of goods for goods, the ſilver only intervening: in which caſe, if the ſilver were more wanted here than the China goods, it is reaſonable to think it would be detained here.

3. Another pretence for the narrow ſyſtem was, that *foreign articles afforded laudable objects for taxation*:—But if taxing was thus in view, it ſhould at the ſame time have been recollected, that, whatever *collateral* effects may attend a tax laid on a foreign article, the amount paid under it commonly falls upon the country impoſing the tax, when

 conſuming

* It has become almoſt a trite remark, that the coin of a nation is dead ſtock, and ought to be diſpenſed with, if its uſes to the general circulation of commodities could be ſafely ſupplied by cheaper means. Theſe uſes however are too conſiderable to be foregone; and conſequently every ſociety acts wiſely that makes coin a part of its capital.

conſuming the article. We may add, that if revenue is here the only object, taxes that are moderate are confeſſedly the moſt productive. Taxes alſo being eaſily retaliated, it will ſoon be found that the tendency of theſe taxes is t produce animoſity rather than income; and animoſity again is found to produce mutual injuries in trade, and a mutual propenſity to war (which is the certain devourer of revenue and the natural enemy to civil proſperity.)

4. Some, in defence of the contracted ſyſtem, have held the ingenious perſuaſion, that *provided trade can be kept at home, it matters not whether ſubjects obtain for their money, good or bad, many or few articles*; the loſs of one ſubject conſtituting the gain of another. But this doctrine (which comes with an ill grace from any who deſcant on the *bleſſings* of commerce) proceeds with the moſt evident contradiction from all who adviſe cruel and ruinous wars for obtaining *trivial* trading benefits and commodities. It forms alſo a reverſe to the taxing ſyſtem juſt noticed, as the *difference* in every extra-payment or under-purchaſe, made in the home-market, might have been ſaved by means of an open trade, and have been applied by law as a ſubſtitute to taxes vexing the poor. But the poſition teems with other errors; For example, many of the foreign articles which it is propoſed to exclude in favour of a few ſubjects, are not luxuries, but *neceſſaries* of the firſt order, and uſeful to every ſubject. And, with reſpect to luxuries, if our only objection to theſe is, that they are foreign, is it not evident that foreigners will refuſe the purchaſe of our exported luxuries as being foreign to them? In the laſt place, if we determined to be content with ſcanty, high-priced, and inferior, productions at home, (the certain reſult of the poliçy in queſtion,) it will naturally tend to introduce ſuch

neglects

neglects into the whole syſtem of our trading operations (the arts being all related,) that we can have little proſpect of ſurpaſſing foreigners, who ſhall proceed on different principles, in a general trade abroad.

5. *The confinement at home of uſeful articles for the benefit of ſubjects* was another ſpecious allegation uſed in favour of the bigotted ſyſtem; the miſerly eye of monopoly not being able to diſcern, that when men have enough of a neceſſary, the ſurplus is no longer to be called a neceſſary; and that, without a vent for it is regularly allowed, the very ſurplus in queſtion would never be produced. By the ſame ſort of timid avarice, exports of commodities ſeem at certain moments to have been viewed as abſolute gifts to foreigners, inſtead of exchanges with them.—But time has at length taught, that every nation has various wants; and that it is fortunate to be poſſeſſed of a neceſſary as a ſtaple, to uſe in barter for the ſupply of theſe wants: not only as a neceſſary is an article of ſteady ſale; but as foreign demand, by multiplying the production of it, inſures a ſupply at home in caſe of accidents; "*Enough*" (according to the adage) "*being enough and a little to ſpare.*"—But in foreign commerce, not only are many of the foreign articles that are imported, real neceſſaries, but many of our own that are exported are real frivolities; and, to prevent diſtinctions on either ſide in a ſcheme of exchange, the good and the bad of the ſyſtem muſt be taken together. Beſides, as moſt *neceſſaries* ſpring from the earth, thoſe who would forcibly leſſen the export of ſuch products, would injure agriculture the moſt profitable employment, for the ſake of manufactures the leaſt profitable; to ſay nothing of the ſuperior qualities of farmers over manufacturers, as ſubjects.—It is another material conſideration, that (as price will always direct

rect the courſe and ſupply of every article) whenever ſo much of any article is exported as to make it riſe to a certain value at home, the exportation of it will thence naturally diminiſh, or totally ceaſe. We may add, that the various circumſtances and charges which tend to embarraſs exportation and importation, of themſelves operate as a conſiderable bounty here in favour of the home conſumer.—Laſtly it is almoſt ſuperfluous to repeat, that, when the beneficial export of a native article to foreign markets is impeded, the producer of it ſuffers materially in his profits*.

6. That the monopoly ſyſtem *renders a nation invulnerable, and independent of its neighbours*, by creating ſupplies and markets for it *within its own boſom*, is another plauſible argument in favour of the monopoly ſyſtem; but an argument contrary to truth and examples. Small territories are incapable of furniſhing the propoſed variety of productions †; and the ſame incapacity may be affirmed of the

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* See the note to the 14th article of this chapter. Happily the rage for encouraging exports prevents the prejudice, alluded to in the text, from being carried into practice in any great number of inſtances, though ſome of the inſtances it muſt be confeſſed are very important.

† France (that large and moſt happily ſituated territory) has as many ſtaple *commodities* as any European kingdom whatever: viz. corn, wine, brandy, oil, and ſilk. That other commodities however are ſtill acceptable to them, is plain from an examination of the objects of their import trade. They can even in foreign parts find varieties of their own articles, (pulſe, wine, oil, and ſilk) worth making an exchange for.

The ſame thing may be ſaid of *talents*, even of the ſame ſpecies: Thus, for example, the weavers of one country might advantageouſly ſupply and be ſupplied in many inſtances by the weavers of another; ſo much does the ſingle manufacture of weaving differ every where in its materials, texture, patterns, or dyes. In a ſcene of open traffic, ſuperior talents need not fear a competition at home; and inferior talents evidently require the aid of examples to excite domeſtic emulation and improve practice, in thoſe caſes where ſucceſs is poſſible.

vents which ſmall territories afford for thoſe articles in which they really excel. — And with reſpect to the Engliſh monopoliſt in particular, we may remark that home commerce ſo little correſponds to his wants and his capacious views, that two of his daily repaſts, and certain approved ingredients or accompaniments of the reſt, are brought from acroſs the ocean; nay his very iron and timber, his flax and his hemp, and a thouſand of the neceſſaries which he requires, or of the luxuries which he covets, are principally imported from ſtrangers; and it is his uſual prayer, that his exports to foreign parts may yet exceed theſe imports. It is not then for one who ſells his blood for ſubjects, for colonies, and for connections in diſtant ſeas, and who ſupports with bribes a foreign trade which is every where liable to derangement and attack; it is not I ſay for *him* to boaſt, that monopolies, prohibitions, and bounties, render his country ſafe, and place its induſtry under a domeſtic ſhelter.—A defender of free trade, it muſt be obſerved at the ſame time, is not leſs diſpoſed to allow of a beneficial intercourſe with foreign countries than is the monopoliſt; he differs only in the ſingle deſire that the *ſpecies* of goods circulating between them ſhould be left to nature and not to laws. Exterior trade under ſuch an eaſy ſyſtem one may hope, would not only become more extended and leave room for fewer wars; but good ſenſe might at laſt induce European ſtates reciprocally to allow a mutual freedom to commerce during the very period of hoſtility. And let it be added, that it is a miſtake to think that retaliation, of one kind or other *, is not a reſource open to the *free trader*

* Thoſe who do not poſſeſs the means of retaliation in the firſt inſtance might apply to ſome of thoſe political *allies*, (who are uſually ſought after for

trader againſt any act of commercial injuſtice, as well as to the monopoliſt.

7. Another ſuppoſed advantage of the narrow ſyſtem has been that of *depreſſing rival nations*, by excluding ſuch from commercial advantages, wherever practicable. — The obviouſneſs of retaliation, I may obſerve, and the probability conſequently of wars accompanying ſuch unſocial principles, ſeem ſtrong objections to them. — But, beſides this, we may aſk, if foreigners are thus to be made poor, to whom ſhall the monopoliſt ſell? And if foreigners are to be rendered univerſally deſtitute, where ſhall many foreign articles, requiſite for the uſe or accommodation of the monopoliſt, be obtained, and ſometimes too in moments of urgent want? — But many are the caſes in which a ſtate of advancement in our neighbours may be conceived of poſitive benefit. For inſtance: the foreign trade and the internal circumſtances of various commercial nations have been improved, in different ways, by the inventions and diſcoveries of foreigners, (which the contracted policy in queſtion would neceſſarily have prevented.) The ſtimulus of rivalſhip has frequently afforded another capital advantage; this ſtimulus often becoming the means of raiſing a nation not only above others, but above itſelf. A familiarity with the arts alſo increaſes the diſpoſition of a foreign nation to admit and to conſume various articles from other nations. And if *commercial* ideas of a proper kind could

for more unworthy purpoſes,) to retort their commercial wrongs for them at ſecond hand. Our own country however, according to the opinion of its wiſeſt ſtateſman, has always this power reſiding in itſelf; and may ſtill do, what Monteſquieu ſays it has formerly done, "ſacrifice its politics to its com-" merce, while other nations muſt ſacrifice their commerce to their politics."

could by any means be introduced among turbulent and martial neighbours, they would clearly contribute to ſoften and diſpoſe them to tranquillity. — Without looking however for farther arguments, it ſeems ſufficient to ſay, that all the trading diſtreſſes which nations in general have it in their *power* to impoſe upon their neighbours, without proceeding to dangerous or expenſive extremities, are comparatively ſo trivial; that the project of impoſing them ought without heſitation to be abandoned on account of its miſchiefs, both direct and indirect. — It is thus then that a manly policy may reconcile the trader to the proſpect of happineſs exiſting out of the pale of his own petty native nation; and lead him to view in the civilization and in the induſtry of his ſurrounding neighbours, ready, cheap, and ample ſupplies for his own wants; and extenſive and liberal vents for his own productions.

8. As to the *fear of other commercial nations depreſſing us, unleſs we employ forced exertions to counteract them*, (which is only another branch of the foregoing conſideration;)—mutual fears of ſuperiority we may remark are frequent in commerce, but cannot eaſily be founded on both ſides. While the gifts of nature are local and human talents various, no nation refined by commerce, will find its own reſources ſufficient for gratifying all its own demands; and large exports cannot long exiſt without occaſioning large returns. Other replies to this apprehenſion occur in the preceding paragraph and in the general theory we have given of commerce; and in the appendix we ſhall find better modes of exertion enumerated, than any of thoſe which monopoliſts have

propoſed.—But above all let me add, that there is one peculiar means of ſelf-defence belonging to an unimproved nation, which is; that of its importing ſkilful cultivators, artiſts, merchants, and other uſeful citizens, from countries that are more advanced than itſelf; for, where a community is *fit* for a ſtranger's reſidence, thither ſtrangers will eagerly flock *.

9. It is proper here to treat the *expence of carriage* as an objection to the liberal ſyſtem of commerce, in order to ſhew more and more the merits of that ſyſtem. — And for this end in the firſt place we may ſtate, not only that this expence of carriage belongs to every ſyſtem of trade; but that wherever this expence exiſts, it is plain from its exiſting, that the difference ſaved in the price or quality of the commodity, is deemed to compenſate for the amount of this expence. Secondly, carriage is peculiarly favorable to navigation, which is the faſhionable object of modern European nations. Laſtly, tranſit charges, whatever may be their amount, are exceeded (not only by the increaſed prices of goods whenever the tranſit is forbidden, as above mentioned, but alſo) by the loſſes ſuſtained by the ſmuggler on the one ſide in ſupporting contraband, and by government on the other ſide in endeavouring to ſuppreſs it.

* No nation indeed can be ſaid to do itſelf juſtice till the adoption of ſtrangers is permitted, and till every unneceſſary *corporate right* that fetters the free exerciſe of labor and of talent, and the free circulation of capital, is removed. — If ſtrangers avoid any country, there needs little proof that the government of that country is ſuch, as requires alterations, before trade of *any* kind can originate or ſubſiſt to advantage even among the natives.

10. The injuries or neglects which agriculture has experienced from modern legiſlators, when ſtanding in competition with manufactures, have not prevented the favorers of the monopoly ſyſtem from conſidering the *promotion of agriculture*, as one of the merits of that ſyſtem. — And certain it is that agriculture has a tendency to proſper in the neighbourhood of commerce and of all the arts; as well on account of the market which merchants and traders afford for its products, &c. as of the capital and information uſually introduced by them wherever they reſide. — But to render this conceſſion of any weight in favour of the monopoly ſyſtem, two very material aſſumptions under the head we are conſidering muſt be made good: Firſt, that trade is the moſt eligible means of forwarding agriculture; and next, that monopoly is the moſt eligible means of forwarding trade. Now, as to the preferable means of encouraging *agriculture*, I preſume none can doubt that the direct, are better than the circuitous means; and that if the ſame attention had been given to agriculture, that has been beſtowed upon manufactures or upon commerce, agriculture would have boaſted a far earlier and far greater perfection, than it has yet attained in any European country. Next, as to what are the preferable means of encouraging *trade*; to inveſtigate theſe being the object of the preſent treatiſe, I might reſt on the whole of this treatiſe for my anſwer; but I ſhall rather ſelect three remarks, viz. 1. That it is an aſſertion equally allowable (as ſuch) with the contrary one, that free principles form the *beſt* baſis of trade; and whoever ſhall doubt this muſt yet allow that a free-trade cannot be ſuppoſed to mean *no trade at all*; ſince

every country that purſues its own talent (of which manufactures will ſoon make a part) and at the ſame time avails itſelf of the excellencies of other countries by means of interchanges, muſt neceſſarily ſecure to itſelf a trade that is comparatively reſpectable. 2. I may next obſerve, that agriculture has higher pretenſions to be conſidered as productive of trade, than trade has to reverſe that pretenſion; and conſequently that trade and agriculture will be made to exiſt together with moſt certainty if we commence with agriculture; agriculture not only implying the exiſtence of many arts, but exciting an attention to many other arts; as well by the eaſy ſubſiſtence it offers to artiſans, as by the raw materials it provides. And it would certainly be ſingular to ſuppoſe that any citizens in a ſtate are to refrain from the exerciſe of trading occupations, when thoſe of agriculture ſhall prove inſufficient to employ them*. 3. and laſtly, Since pacific principles are of the utmoſt importance to every pacific occupation, they neceſſarily give to free-trade (to which they ſeem congenial) a deciſive preference with reſpect to agriculture, the monopoly ſyſtem being the perpetual parent of wars and taxes. — Thus it ſeems clear that *free* principles of trade contribute as much, and we may venture to ſay more, to the promotion of agriculture than thoſe of monopoly; though *no trade* we may repeat, can be at all depended upon for advancing agriculture, equally with that direct encouragement, which it is the duty of every territorial ſtate to afford to its purſuit. It is an unanſwerable proof in favour of this, that many of the

* We may add too, that the very pretext we are contending againſt ſuppoſes trade and agriculture to be bleſſings that are fully conſiſtent one with the other.

antients

nations as well as the Chineſe, though each ſo little noted for *foreign* trade, (the great favorite of the monopoliſt,) have particularly excelled in agriculture, though unprovided with many of our modern European helps for purſuing agriculture to advantage.

11. An equal prejudice with the preceding has prevailed as to the ſuppoſed tendency of monopolies to favour *population*. — The arts however I muſt obſerve, are much oftener the reſult than the cauſe of population; and in many caſes where they ſeem to promote population, a great part of their effect is to aſſemble in one ſpot, and not to create, a people.—Population alſo, I muſt add, is the conſequence of enjoying means of procuring ſubſiſtence; as marriages in ſuch ſituations naturally become more general, and are contracted at an earlier period of life; and the children alſo that are born, as well as the adult perſons among the lower ranks, are in ſuch caſe better provided for than is elſewhere uſually their lot. And in this view, every agricultural country has a peculiar advantage in its very nature; not only as being ſaved the expenſive carriage of its ſubſiſtence; but as poſſeſſing the remnants† (or offals) attending its principal products, which remnants, though they will not bear exporting, yet leſſen the expences of its natives. And indeed as the healthfulneſs of agricultural purſuits renders the inhabitants of ſuch countries more capable of vigorous and continued exertions, than where manufactures prevail which are ſo often the cauſes of ſickneſs, this of itſelf is to be conſidered as equivalent to an increaſe of

* Straw and other articles are the offals of corn; milk and manure of cattle; meat of wool and leather; or vice verſa, &c. &c.

people;

people; ſince it implies an increaſe of labor at the ſame expence of ſubſiſtence, (aids of machinery and inventions being open to both ſituations.)—Should it be urged that it is important not only to population but alſo to œconomy, where a trader ſhall have his reſidence; that is, whether he ſhall ſtay at home and pay his taxes and rent, and render his perſonal ſervices, there; or whether he ſhall do this abroad, (perhaps for an hoſtile government) and moreover impoſe upon his cuſtomers the additional expences of carrying his ſubſiſtence outwards, and his manufactures, &c. back again; ſhould this advantage of reſidence be urged, I ſay, it is eaſy to remark that the poſition however true, ends in nothing favorable to the ſyſtem of monopoly. We may reply for inſtance, as in the preceding paragraph, that to prove the uſefulneſs of *ſome* ſort of trade to population, does not prove any ſuperiority in a trade founded in monopoly in particular; and much leſs does it prove any inferiority of landed occupations reſpecting population.—And with reſpect to pacific principles, as they are more naturally allied to agriculture than to monopoly, they naturally encreaſe the favor due to agriculture; ſince war (which is the uſual aſſociate of monopoly) has not only a direct tendency to leſſen numbers, but (which is if poſſible ſtill more important) interrupts the progreſs of that ſubſiſtence, which makes the baſis of numbers both with men and with animals.

12. There is another prejudice reſpecting the narrow ſyſtem, namely, that *commerce muſt be aided*, as deep rooted and in certain reſpects not leſs erroneous than the foregoing. That permanent prohibitions and bounties indeed uſed internally, and that the force of arms acting externally

ſhould

ſhould often aggrandize particular traders, is little wonderful; but when the traders in queſtion attempt to betray their country into any *general ſyſtem* of trading laws, by the diſplay of their pampered commodity, it ſhould be remembered that other commodities and the public revenue have each languiſhed to feed its growth, and that to this principally are to be attributed our frequent wars and enormous debts. The particularly depreſſed ſtate of Ireland proves in a more comprehenſive ſenſe, that monopolies have only partial advantages; and even England itſelf after abſorbing ſo much of the nutriment of its connected kingdoms cannot be compared, (its territory conſidered) either in wealth or in numbers of people, with a certain neighbouring republican province. — It is therefore to the real prolific principles of liberty, and to certain internal advantages, joined to the bad conduct of our neighbours and to other incidental cauſes, that England may attribute its chief ſucceſſes, whether in war or in trade; and not to ſelfiſh or to peeviſh trade-laws.—Every legiſlative favour to trade, that is *particular* and at the ſame time *permanent*, (whether poſitive or negative,) proves either the branch receiving it to be unnatural, or the favor granted to it to be a job: it is in ſhort a larger kind of letters patent, of which the miſchief is aggravated as well by the duration, as by the extent of the grant. Even feeble beginnings in trade ſhould be protected by bounties only; and thoſe alſo be temporary; and if poſſible, conſiſting rather of countenance and of honours, than of money or even immunities.

13. But permanent *bounties* it may next be pretended are free from thoſe *irritations* towards foreigners, complained

of

of in prohibitions*; and it may alſo be added that wherever there are branches of trade compoſed of *various operations*, the artificial aid given to a few of theſe operations may be the cauſe of a ſpontaneous movement as to the reſt of them.—But it may be urged in reply to this, that as bounties are provided by means of taxes, bounties amount to a premium given to one ſubject out of the property of another. We may even go farther, and affirm that the ſtate contributes on theſe occaſions to the trader, much more than its oſtenſible gift; not only becauſe the yielding of every tax is burthened with charges of management; but becauſe almoſt every tax in itſelf forges a new fetter for commerce, the very controul ariſing from which will frequently prove the balance of the public benefit propoſed by the bounty. Bounties alſo are generally beſtowed with little diſcernment; as for inſtance, to forward at home what is ſingular to *ourſelves*, inſtead of what is ſingular to foreigners; to excite arduous, inſtead of eaſy attempts; or what is precarious, inſtead of what is certain.—And with reſpect to the influence of ſuch conduct upon foreigners, as no ſtate can boaſt of a monopoly of its folly, the examples of ſuch folly migrate abroad and ſtimulate kindred folly there; and bounties abroad contending with bounties at home, ſcarcely any other effect ariſes from them, than that of their mutual burthen or perverſion. — Theſe arguments alone are ſufficient to overbalance any pretended benefit from the permanency of bounties (their permanency it is to be obſerved, being the ſingle point againſt which we are in *this* place contending.) But we may add, that allowing *ſuch* bounties when joined to permanent prohibitions, to effect the

* See what is ſaid in the APPENDIX, *Chapter* 3, reſpecting the comparative merit or demerit of prohibitions, bounties and drawbacks; with the miſcellaneous remarks.

the end of keeping up none but *uſeful* articles, this would only be rendering one uſeful article tributary to another; or making weighty objects depend for their ſupport upon each other, without giving them the benefit of a ſolid general baſe.

14. While the free trader conceives 'that the welfare of 'the ſtate at large reſults from the *particular* welfare attending its ſeveral parts;' the monopoliſt affirms that individuals, if *releaſed from controul, may frequently purſue their private intereſt in modes detrimental to the public.* If the monopoly ſyſtem, we might firſt reply to this, were itſelf free from all the jobs and the folly with which it notoriouſly abounds under legiſlative ſanction, there might be ſome colour for this inſinuation.—But (not to be content with a mere anſwer of recrimination) we may obviate the preſent difficulty in another way, by allowing at once the propriety of the public interpoſition, whenever, *after duly weighing circumſtances,* the public interpoſition ſhall be found requiſite.—Without however referring here to the danger of foreign retaliation, of wars and of expence, where government pretends to reſtrain commerce; and without adverting to the frequent failure of the moſt plauſible meaſures of government on theſe occaſions (which are conſiderations that appear to meet us every where;) there remains a new topic which militates againſt any uſe of diſcretionary powers in the caſe in queſtion, which is as follows. Where a reſtraint is impoſed to favour the claſs of *producers*, its direct operation is to injure the claſs of *conſumers*, whereas theſe two claſſes ought to flouriſh conjunctively*; and what makes this caſe ſtill more unfortunate

* "Modern ſtates appear ſeldom to think of more than one claſs of their "ſubjects at a time, and generally of the wrong claſs; for in prohibiting "an

and unequal is, that the claſs of conſumers in each inſtance is uſually the moſt numerous, and that the loſs ſuſtained by the conſumers generally *far exceeds* the gain ſecured to the producers. We may even go farther with reſpect to the claſs of conſumers, and ſay that this claſs is rarely found patronized by the ſtate ſince the reſtraints on importation are not only far more frequent than thoſe on exportation; but even where reſtraints on exportation have been admitted, it has uſually been with the idea of providing an abundance of raw materials to certain *ſecondary producers*, (without attention either to the intereſts of thoſe who originally produce theſe materials, or of thoſe who are to conſume the ultimate compound production). This neglect of the conſumers is more remarkable, as conſumers are often at once both conſumers and producers.—Let us conclude then, that none will carry into execution the commercial rule of ſelling for much and buying for little, better than individuals; and that a free trade, ſooner or later, will naturally produce ſuch an arrangement of markets and of productive employments, as that each individual, while he is thus purſuing his own intereſt, ſhall in ſo doing be found to benefit the whole without producing permanent injury to any.

15. There is another plea which it may here be uſeful to diſcuſs, merely to give an inſtance of the univerſality of the liberal principles of trade: It is that *a poor country will find it requiſite to reſort to bounties and to reſtrictions, in abſolute*

" an *export*, they think only of the buyers at home, whereas they ought " then to think of the ſellers there; and in prohibiting an *import*, they think " only of the ſellers at home, and forget the buyers: the very reverſe of " which ought to happen, becauſe when the private ſagacity of the ſubject " has taught him that he can make a gain in any ſale, or a ſaving in any pur- " chaſe, the ſtate ought in general to facilitate his operations; which in large " concerns would produce an immenſe balance to the country." *Anonym.*

ſolute ſelf-defence, on account of the competition of other ſuperior countries.—But where poverty is fundamental, the preferable object to ſuch a ſyſtem certainly is, to improve the manners and talents of the natives; not only that the natives may puſh ſuch powers as the country has to their greateſt extent, but that they may obtain the lucrative confidence and employ of their leſs enterpriſing neighbours. Thoſe articles alſo here, as well as in a richer country, ſeem naturally to aſk for attention, which (cæteris paribus) are in moſt demand and are of eaſieſt production: and whenever the motives to exchange any of theſe articles with foreigners ſhall exceed the expence attending ſuch exchange, the poorer country would augment by ſuch exchange the value of what it had to conſume *. Theſe ſeem natural and obvious principles.—If a jealouſy ſhould however ariſe in the poorer country on account of a balance of *neceſſaries* † being exported, the intercourſe ſhould not be checked here upon trading, but upon œconomical principles: that is, not by means of mercantile, but of ſumptuary laws; trade in every other reſpect being left entirely free. This laſt conceſſion however is made rather for the purpoſe of diſtinction

* "Each merchant is a gainer, if his returns, after paying all the expences "of the voyage, are worth more at home (or will purchaſe a greater quantity "of goods) than he had exported: This overplus is the merchant's profit, "without which he would no longer trade." *Harris's Eſſay on Money and Coins.* Part I. chap. 2. §. 16. note.—"A nation's ſituation becomes *bound-*"*ed* as ſoon as its powers are confined at home; and it is only by interchan-"ging with *foreigners* and by foreign connections, that its proſperity can be "increaſed." *Anonym.*

† An objection to a wrong balance of *neceſſaries*, is much better founded than the ideas reſpecting a wrong balance of *trade*: It prevails with a ſenſible nation, the Chineſe, very ſtrongly.—Yet even this objection may be carried much too far.

in theory, than with a view to practice; as leſs danger ſeems likely to follow from the abſence of all reſtraints, than from a power of impoſing them at diſcretion reſiding in legiſlatures notoriouſly ſubject to paſſion and deluſion. — If after all, a poor country under the liberal ſyſtem ſhould ſtill be ſaid to be poor, compared with its more fortunate neighbors, it ſhould be remembered that *this* mode of compariſon is a falſe one; and that the only juſt compariſon is, when ſuch a country is compared with *itſelf* while it was governed under the narrow ſyſtem.—I may add that no objection can ariſe to a ſyſtem of exchanges, from a ſuppoſition that a country may be ſo utterly deſtitute, as to have *nothing* to offer in the way of exchange with foreigners; ſince I believe there is no country that does not naturally produce more of ſome things than it wants, and leſs of others, (which is preciſely the ſituation in which our ſyſtem may be uſeful;) and it is needleſs to apprehend danger from exchanges in a country where no exchanges are ſuppoſed capable of taking place.

16. Notwithſtanding all that has been ſaid above, it may be conceived that *when a nation under the free ſyſtem has attained its* apparent ne plus ultra *of proſperity, the application of bounties and reſtraints becomes indiſpenſible for exciting* extraordinary *domeſtic exertions.* — But this ſeems a poſition admitting of eaſy confutation. For, firſt, we find no reaſon why thoſe modes of encouragement that appear improper in an early ſtage of a ſociety, ſhould be thought eligible in a more advanced ſtate of it; there being if poſſible more cauſe than ever in an advanced ſtate of ſociety to truſt to general (rather than to particular) ſources of improvement, as improvements

are

are then accompliſhed with moſt facility. Secondly, it appears undoubted, that there is not only an apparent but a real *ne plus ultra* in the affairs of nations, which it is in vain to think of exceeding; every nation either internally or externally, having natural limits occurring to its progreſs. — The wealth of a ſtate therefore conſiſting only of its given ſum of *commodities* added to its *faculties*; and the pacific improvements of either with reſpect to neighbors depending upon their mutual exchange or intermixture; when this is perfected (which has never been ſeen perfected) a ſtate ſtands at its SUMMIT as to commerce; and has then nothing to do but to be happy, to œconomize, and to avoid decline. It can never be richer without more rudiments from riches, (wealth, like population, having perpetual relation to its ſources;) and the application of the monopoly ſyſtem to its ſituation, would apparently only be weaving the web of Penelope; or in other words be found a mode of enriching the producer by depreſſing the conſumer, or vice versâ; that is, of loſing with one hand what it gained with the other, eſtabliſhed at a known coſt, and with a certainty ſooner or later of foreign oppoſition.

17. There is yet another (which may be conſidered as the laſt) plea of the monopoliſt; for he may contend that notwithſtanding a free-trade is proper for the world generally, yet, that *ſingle ſtates may find their advantage in monopolies, and be juſtified in purſuing them.* As I profeſs not to touch here upon topics of juſtice, and much leſs upon thoſe of benevolence, I will not obſerve upon the liberality of ſuch a poſition; eſpecially as it is to be attacked in other modes. — But I ſhall notice here (once for all) the overſight of thoſe monopoliſts who pronounce

monopoly

monopoly *to be the plaineſt of all policies* and yet think that it will *eſcape the vigilance of their neighbors*, after the practice has been ſuggeſted by their own example and rendered contagious by revenge or the ſtudy of redreſs. So ſlight has been the attention paid either to events or to principles upon this occaſion, that after foreigners have actually been ſeen imitating our national partialities on the one hand and reſenting the injuries received from us on the other, the error in queſtion has ſtill ſurvived. When nations have proved too wary to be pilfered by art, they have next been thought likely to be tamely ſubmiſſive to force: And numerous parties are yet to be found, even in this improving age and country, who would commence or continue *wars for promoting trade*; although experience has ſhewn that enemies however ignorant are at leaſt jealous, and that wars are often as fruitleſs to the particular traders for whom they are undertaken, as they are certainly onerous and devaſtating to other traders, and to the public that has to ſupport them. — Let me add in the next place, that when an exception from general rules is left in the power of each individual ſtate, the peculiar benefits to be expected from ſuch exception by any particular nation muſt naturally diminiſh; not only as exceptions aſſumed on one ſide, would then be balanced by the exceptions to be aſſumed on another; but as *all* would loſe the advantages ariſing from liberal ſyſtems being purſued by *all**; and the preſent unhappy ſyſtem of ſelfiſhneſs

* See the ſtatement of the general theory of commerce at p. 3, of this treatiſe and paſſim. — There is indeed no European nation that has any pretenſions to form the exception to general rules here alluded, if we are to judge from their paſt conduct; ſince they have not only each frequently yielded

ſelfiſhneſs and of hoſtility, would in conſequence ſoon be revived. And when commercial wars either exiſt or are apprehended, the tranquillity of neighbouring countries is ſeldom to be deemed ſecure. — In ſhort, ſince ſtates (like individuals) are too improvident, too intemperate, and too ambitious, to be freed from the rule of equal laws; and ſince monopolizing ſyſtems are injurious, as well on account of their odiouſneſs and their bad example to other countries, as of their domeſtic evil conſequences; it is wiſe for all countries to ſubmit in commerce to an univerſal ſyſtem, which is not only incapable of perverſion either by friends or enemies; but whenever it is once eſtabliſhed, requires ſo little effort and intelligence to carry it on, that it may be ſaid to be ſelf-moving and ſelf-conducted.

CHAPTER IV.

IN the preceding chapter we have ſeen what are the pretences of a general nature in favor of reſtrictions in trade, which it has occurred to notice; and we have ſeen

yielded to evident miſinformation on commercial ſubjects, but have each plunged themſelves, in ſupporting monopolies, into expenſive projects or cruel wars.

If it were here made a general queſtion whether it would be for the happineſs of the human race that *all* ſhould ſeek to live upon their neighbors, or *all* ſhould depend upon themſelves and live fairly by their own endeavours; whether all ſhould attempt to over-reach, or all endeavour to be equitable? The anſwer would be eaſy. — Nor is it leſs eaſy to decide whether a ſyſtem of commercial exceptions made in favour of all or a few, would not quickly terminate in a total abolition of commercial ſyſtem, and introduce a lawleſs ſtate?

ſeen the replies. — Our immediate fore-fathers therefore have been unhappily ſelf-deluded reſpecting trade as well as reſpecting other particulars; and ſtate-counſels (uſually alas without ſyſtem!) in this caſe going upon wrong ſyſtems, were obſtinate and vindictive in the uſual proportions. But to apply a fine expreſſion here, "We "have lived upon the credit of thoſe times too long." Our predeceſſors by their immenſe exertions have wrought indeed ſome benefit for their poſterity, though comparatively but little, and that little inferior in kind and alloyed with ſerious evil. Right in attributing riches to induſtry, they were nevertheleſs wrong in foſtering induſtry by force. Properly awake to their own intereſts, they were to blame to expect that other nations would be provoked, and yet remain aſleep to theirs. Inſtead of attempting what was ſerviceable and within their reach, they ſought chiefly what was novel and artificial. And their policy, which was in itſelf adverſe to internal proſperity, became ſtill more ruinous by the intervention of rivals; for when their adminiſtration was at any time ſupine, contraband undermined their unnatural ſyſtem; and if over-active, this ſyſtem generated foreign conteſts. Thus their love of commerce ſtifled commerce, as their love of lucre always betrayed them into profuſe expences: and had it not been for vigorous principles of a totally different complexion*, conſpiring to arreſt or repair theſe miſchiefs, it

* Such as civilization, long and extenſive experience, philoſophical and chemical knowledge, the invention of printing, liberty in the middling and lower orders of people, the countenance of government, the decline of monopoly-grants and alſo of corporation and feudal privileges, trading occupations being leſs reproachful than formerly, increaſing religious toleration,

it is difficult to ſay to what exceſſes they would not have extended. — In ſhort, to interdict beneficial purchaſes and ſales to ſubjects; to excite ſimilar interdictions on the parts of foreigners; to keep up a chargeable apparatus for enforcing theſe purpoſes; and to go to war for theſe prepoſterous objects; beſpeaks defects in our ſyſtem of ſuch a *magnitude*, that we may demonſtrate the error of the principle from the nature of theſe reſults — If other proof were wanting, we have only to inſpect thoſe kingdoms where monopoly has moſt raged, and we ſhall find agriculture every where ſtill imperfect in them; though it is the purſuit of all others that is the leaſt injured by arbitrary power, and that would have flouriſhed with half the encouragement laviſhed on the frippery of trade. In ſome of theſe ill-fated kingdoms, their arts are infinitely more wretched than their agriculture; and even in England (in defiance

tion, commercial and maritime law, accumulated capitals of money and lowered intereſt, aſtoniſhing machinery, more perfect arts and in many caſes better raw materials, various important advantages reſpecting fuel, buildings and other uſeful eſtabliſhments provided at the coſt of former ages, improved agriculture, known and extended markets, increaſed motives and opportunities of intercourſe, regulated poſts, eſtabliſhed connections, bills and courſes of exchange, bankers and banks, policies of inſurance, with quays, known harbors, canals, ſuperior roads, ſea-charts, the mariner's compaſs and quadrant, and various aſtronomical inventions, &c. &c. all of which are articles that in their nature are independent of the monopoly-ſyſtem of commerce. — When a monopoliſt therefore attributes to himſelf alone the modern improvement of European commerce, he becomes the boaſtful fly upon the chariot-wheel; or rather, when he ſets aſide or diſparages the influence of ſuch benign cauſes as the above, and wiſhes us to truſt to artifice and empiriciſm, he reſembles the conceited cultivator, who ſhould dream that by waterings, by hot-beds, and noſtrums, he could be enabled to reject and ſuperſede the light, the warmth, the air, the rains, and the dews of heaven.

of invigorating liberty, of favoring nature, ſucceſsful wars, imperial rights, and dominions that are ſufficiently expanſive to embrace a variety of products*) many arts are ſtill infant, many lands are ſtill waſte, more are ill-huſbanded, and the *intereſt of money* attending our debts contracted in purſuit of monopolies, amounts to near *two thirds of the annual value of our favorite exports* (and certainly infinitely exceeds the *profits* upon thoſe exports;) and if the conſtant public and individual loſs ſuſtained *internally* under the ſyſtem of bounties and prohibitions, does not equal the other third of this amount, we ſeem to have enmities, jealouſies, and projects enough ſtill on foot, ſooner or later to complete the afflicting total, unleſs we reform our ſyſtem.

I ſhall only add, that if commercial freedom is advantageous for a nation's *own* concerns, it is if poſſible ſtill more proper for qualifying it to conduct the concerns of *other nations*. Not only can thoſe ſerve others on the *cheapeſt* terms, who have placed their own affairs to the beſt advantage; but a free trade muſt neceſſarily lend help to a trade of agency, by the ſupply it offers of wide correſpondencies, ready markets, extenſive aſſortments of goods, freights, experience, and various other facilities; as alſo by relieving it from the curb of every odious trade-law, not called for by retaliation. — So that (military means out of the queſtion) the only methods in which a nation can gain adventitious wealth, being firſt, by puſhing its *natural* articles to the utmoſt, and then *exchanging* them

* "England has had ſo many connections in the four quarters of the "earth, as in effect to have enjoyed a *free* trade in a little world of its "own." *Anonym.*

with

with other nations who have done the like with theirs; or elſe ſecondly, by becoming *an agent* for other nations, (as their artificer, carrier, factor, or accomptant;) it follows that the only two civil means of adding to the native ſtock of national wealth, require a free trade as their aſſiſtant. And with reſpect to *peace* (that ſtill greater ſource of national œconomy and wealth) the preſence of a free trade may be proved from hiſtory to be indiſpenſible both to its real, as well as to its aſſured duration.

CHAPTER V.

Concluſion.

SUCH ſeems the general theory of what is eligible and what is injurious for trade. — The application of this theory to old miſ-ſhapen practice, fortified by prejudices, and in part deemed neceſſary for retaliation, is certainly an attempt at once delicate aud arduous. Yet the rule of Monteſquieu is ſtill irrefragably true, "That "one nation ſhould never exclude another from trading "with it, except for *very great reaſons.*"—And there can be no harm in propoſing it as a problem to a miniſter, that he ſhould endeavour to promote trade, without calling to his aid either reſtrictions, permanent bounties, or wars. If a virtuous glow ſhould grandly ſeize his mind for amending the manners of his nation, not only the

production and the exchange of commodities (which after all are the *two only conſtituents* of trade) would inſtantly increaſe, but other ſecret bleſſings would attend this reform to conſole his cares. But if, like other minions of fortune, he ſhould ſlumber over the nobler duties of his ſituation, his country would ſtill benefit by its being left alone to nature and itſelf; free from the chimeras of a court, the plauſibilities of traders*, and the averſion to reforming errors ſo inveterate and notorious in perſons in office. — It can be no objection to a free trade, that it leaves room for inaction and for want of inſtruction in miniſters; and miniſters themſelves will probably ſcarcely object to it on this account. — Infinite however muſt be the diſcretion requiſite in the interim, for changing that ſyſtem externally and internally which now oppreſſes us; and thoſe only ought to be intruſted with direction in it, who have been uſed to ſtudy the parts and the movements of a great ſociety; a revolution in which, being little ſhort of a new formation of it, as much requires a maſter's hand to lead it to a ſafe concluſion. — *Juſtice*, I will only ſay, muſt form an indelible part of the plan, and juſtice includes not only authentic and timely warning, (whenever

* It is remarkable that England and Holland, though each the ſeat of ſo much trade, have produced few eminent writers on commercial ſubjects, except for particular branches, (ſuch as fiſheries, low intereſt of money, banks, commercial law, &c.) — The original writers on trade of moſt eſteem from having gone upon *general principles*, have chiefly been found in France and Scotland, where trade has formerly flouriſhed but little, notwithſtanding the laws always favored monopolies. — The known influence of traders in commercial countries and the application often made of that influence, ſufficiently elucidate the caution given in the text; for though Holland for example, has been more liberal in her home-market than England, yet even Holland has been equally bigotted with ourſelves in her external ſyſtems.

needful)

needful) of every change; but alſo public relief†, where no warning can remedy the poſitive ills which former laws ſhall have impoſed or invited. The ſubjects, trade, or commodities, that ſhall ſpecially benefit by the meditated change, offer the firſt reſource for ſupplying the indemnity in queſtion; but if this reſource fails, and if the public at large alſo refuſes the burthen, the change propoſed ſhould itſelf be foregone; ſince a *few* perſons ſhould never be made to ſuſtain that loſs, which is thus held too grievous for the *many*. Happily there is nothing requiſite, for which a willing adminiſtration and a confiding people cannot eaſily provide; and *half* the expence of *one* of thoſe many commercial campaigns, which muſt otherwiſe be certainly repeated, would furniſh a fund (with due time and management) adequate to relieve us from our complicated errors, if accompanied with patient addreſs, and with that ſort of contriving œconomy which is a moſt important ſtate-accompliſhment. — I do not make myſelf too full of hopes on this ſubject, but I do not abandon myſelf to deſpair. Knowledge is increaſing and truth daily approving itſelf; and as there are many vibrations in public concerns, in one of theſe we ſhall perhaps ſee the accompliſhment of the wiſh here alluded to, diſtinctly pointed out, and happily effected. In the mean time, if truth is frequently obliged to give way to prejudices and to ne-

† "Men in their innovations ſhould follow the example of time which "innovateth but quietly, and by degrees ſcarce to be perceived; for other-"wiſe what is new and unlooked for, ever mends ſome and improves "others; and he that is holpen takes it for a fortune and thanks the "time, and he that is hurt for a wrong and imputeth it to the author." *Lord Bacon's Eſſay.* See the laſt article in Chap. IV. of the Appendix to this treatiſe.

ceſſity,

ceſſity, it w not be without its receiving manifold confirmations of its exiſtence, as well as of the degree of its ſalutary tendency.

With reſpect to particular countries, there is ſcarcely any one in the univerſe which appears more fitted to profit by the ſyſtem of free-trade than Great Britain; eſpecially as a ſyſtem of interchanges muſt favor her navigation. Bleſſed with a happy climate, ſurrounded by ſeas from which ſhe is in no part diſtant, placed between the old and new world, between northern and ſouthern regions, poſſeſſing connections in various quarters of the globe; and boaſting conſiderable liberality in her civil and religious government, conſiderable activity, conſiderable character, correſpondencies, ſkill, capital, and ſhipping; ſhe has the ſtrongeſt grounds for confiding that the ſame cauſes that have produced her preſent commercial ſuperiority, in defiance of her narrow politics, will attend her more and more where favored by liberal ſyſtems, the folly of our neighbours eſpecially conſidered. As faſhions prevail among courts and nations, as well as among individuals, her new example would probably ſoon be purſued ſpontaneouſly abroad, and more products in conſequence be brought into circulation through the earth; and thoſe nations in ſuch caſe, who were moſt active, moſt wiſe, and moſt rich, would derive moſt profit from the revolution. — To accelerate this happy moment, ſhe would naturally in many particulars, make the extinction of her own prejudices a condition with other nations, for the extinction of theirs; and if other nations neglected to adopt her inſtructive leſſon and example, her benefit from her new line of conduct would at leaſt be peculiar and

unrivalled.

unrivalled. — Should Great Britain however from indolence or timidity decline to reform her old eſtabliſhed errors at preſent*, ſhe may to a certainty avoid all prepoſterous adherence to them in critical caſes, as well as all unneceſſary violation of the true ſyſtem in new and future occurrences; and time will gradually, it is to be hoped, render eaſier the accompliſhment of the reſt.

Every improvement that takes place, however ſlender and retarded, is ſtill a bleſſing; — and let me here be allowed to add, that it is the more to be prayed for on account of the benefit that may reſult to humanity at large, were free-trade and pacific ſyſtems more generally prevailing. Nations might then no longer view each other as ſtrangers and as rivals; and individuals, learning more and more their real public intereſts, might conſider themſelves not merely as the members of ſeparate nations (a ſentiment which has hitherto ſeldom been the companion of general liberality† or general juſtice,) but likewiſe as members

* Many who would act wiſely in new affairs, feel terrified at the correction of antient errors. They are patients who would ſhun the operation that is to reſtore their health, and as ſuch, are treated with ſome aſperity by the moraliſt:

" Unhappy race! who never yet could tell
" How near their good and happineſs they dwell:
" Fetter'd in faults, they ſeek not to be free,
" But ſtupid, to their own ſad fate agree:
" Like pond'rous rolling-ſtones, oppreſs'd with ill,
" *The weight that loads them, makes them roll on ſtill.*

Rowe's Tranſlation of the Golden Pythagorean Verſes.

† Dr. Price has the following remarkable paſſage reſpecting the love of one's country. — " Foreign trade has in ſome reſpects the moſt uſeful ten-

" dency.

members of the univerſe, and as the common children of a common Father. That common Father cannot be pleaſed that the pretended intereſts of *artificial* commodities, ſhould be made a motive for diſturbing either the good

" dency. By creating an intercourſe between diſtant kingdoms, it extends " benevolence, removes local prejudices, leads every man to conſider him- " ſelf more as a citizen of the world than of any particular ſtate, and " conſequently checks the exceſſes of that *Love of our Country* which has " been applauded as one of the nobleſt, but which *really* is one of the " moſt deſtructive principles in human nature." He then adds the follow- ing obſervations in a note. " The love of our country is then only a noble " paſſion, when it engages us to promote the internal happineſs of our country " and to defend its rights and liberties againſt domeſtic and foreign invaſion, " maintaining at the ſame time an equal regard to the rights and liberties of " other countries. But this has not been its moſt common effect: On the " contrary, it has been nothing but a ſpirit of rivalſhip between different " communities, producing contention and a thirſt for conqueſt and do- " minion. — What is *his country* to a Ruſſian, a Turk, a Spaniard, &c. " but a ſpot where he enjoys no right, and is diſpoſed of by owners as if " he was a beaſt? And what is his *love* to his country, but an attach- " ment to degradation and ſlavery? — What was the love of their country " among the Jews, but a wretched partiality for themſelves and a proud " contempt for other nations? Among the Romans alſo what was it, " however great in many of its exertions, but a principle holding together " a band of robbers in their attempts to cruſh all liberty but their own? — " Chriſtianity has wiſely omitted to recommend this principle. Had it " done this, it would have countenanced a vice among mankind. It has " done what is infinitely better — It has recommended *Univerſal Benevo-* " *lence.*" See p. 74-5 of that edition of his *Obſervations on the Importance of the American Revolution*, &c. to which is annexed a *tranſlation of the Will of M. Fortuné Ricard*, 1785.

If this very amiable aad reſpectable author when ſpeaking of trade, had limited his praiſes to a free-trade, they would have been better merited. — But how unfortunate is it that his ſentiments reſpecting patriotiſm, as it is commonly called, ſhould appear ſingular, when they contain nothing but the language of ſenſe and nature confirmed by every page in the hiſtory of nations.

order

order which is ſaid to be the baſis of their *own* inſtitution, or the peace of the general community of nature; nor can it be acceptable that his partial gifts, which (as having a local diſtribution accompanied with a general uſe) appear given in ſhares to each nation in truſt for every other, ſhould wantonly or maliciouſly be fruſtrated in their circulation, and even be made the cauſe of mutual devaſtation and bloodſhed over the globe. — Mr. Hume who conſiderably favors the liberal ſyſtem, and conſidecs the other as founded in "narrow and malignant politics," concludes his ſhort Eſſay on the JEALOUSY OF TRADE with a declaration, which I ſhall not be afraid of making the concluſion of the preſent: — "I ſhall therefore ven- "ture to acknowledge that not only as a *man*, but as a "*Britiſh* ſubject, I pray for the flouriſhing commerce of "Germany, Spain, Italy, and even *France* itſelf * * *."

APPENDIX:

Containing ſeveral Particulars explanatory of certain Paſſages in the foregoing Treatiſe.

There are ſeveral topics, which as bearing an intimate relation to the foregoing commercial principles, or as being of a particular nature, it may be uſeful to diſcuſs in diſtinct chapters. Theſe are, 1. The principal general *means* of aſſiſting an open commerce; 2. The modern ſyſtem of the balance of trade; 3. The pre-eminence in general of agriculture over other purſuits of induſtry; 4. A compariſon of prohibitions, bounties and drawbacks, with miſcellaneous remarks; 5. The commerce of grain; 6. Navigation-laws; and 7. The queſtion reſpecting the regulation of the intereſt of money.

CHAPTER I.

Of the principal general means *of aſſiſting an open commerce.*

HAVING controverted the wiſdom of the prevailing modern plans for encouraging commerce, it ſeems incumbent to dilate a little upon the chief *modes proper for aiding commerce*, when put upon a liberal footing. This chapter will therefore principally conſiſt of a comment upon what I have before aſſerted; viz. That "free-trade ſooner or later will unerringly direct the fa-"culties of a country; and that knowledge, joined to "wiſe manners and cuſtoms, good morals and public ſpirit, "(if favored by eaſy communications under the ſafeguard

"of

" of fixed juſtice and religious liberty,) will in general " ſufficiently ſtimulate a country to enterprize; particu- " larly where the ſtate provides for it thoſe aids, which, " though of general uſe, are not likely to be eſtabliſhed " by mere individuals."

1. That free-trade is a faithful *guide* to the efforts of a commercial country, ſeems nearly ſelf-evident.—Thoſe *domeſtic* productions which flouriſh where commerce is left open, appear by that very circumſtance either to be in demand with foreigners, or to be capable at leaſt of reſiſting foreign competition; and as ſuch may ſafely be ſelected and purſued. On the other hand, the articles that are actually ſupplied by *foreigners*, are plainly thoſe that (if conſumed at all) ought for the time being to be imported, as being cheaper than any thing of the kind that can be met with among ourſelves; where the attempt to produce them ought therefore to be omitted, or at leaſt poſtponed, till it can be purſued to better advantage. — Thus without any deception or partiality we diſcover by means of a free-trade, the ſtrong and the weak points of a country; and without any peculiar effort or expence, are furniſhed with vents for the firſt and with ſubſtitutes for the ſecond. — This plan is cheap and ſpecific, produces no jealouſies, and admits of no miſtakes, being founded on the ſimple and ſolid baſe of nature. In ſhort it diſcovers thoſe individual intereſts, from the combination of which reſults the intereſt of the whole. — And when reſources are added for remedying any occaſional interruption that may occur in the ſupply of any real neceſſaries, a nation may be ſaid to poſſeſs as great a *diverſity* in the claſſes of its productions as is uſeful or politic, its circumſtances conſidered.

2. *Knowledge* (the article next alluded to) is of ſeveral kinds; that which is proper for the young and that which is proper for the adult; that which is general for all claſſes of citizens, and that which is peculiar for ſome. — To doubt the efficacy of knowledge in advancing commerce, is to ſuppoſe that ignorant men can ſucceed in operations that often benefit by the moſt conſummate information: It is to ſuppoſe alſo that where uſeful ideas abound, ſmall incidents are not likely to excite new and important combinations of ſuch ideas. Art however it is well known, has rarely been advanced, unleſs ſcience (native or borrowed) has come to its aid; and leaſt of all can we hope for ſucceſs, where mechanics and mathematics, natural philoſophy and chemiſtry, aſtronomy and geography, with the elements of agriculture, are unknown or neglected. — For propagating therefore theſe and other uſeful branches of knowledge, the ſtate may not only with great propriety and effect, encourage academical and other more practical ſocieties, in its capital and in its provinces; but it may alſo diſtribute at low prices, uſeful elementary books; inſtitute premiums for perſonal attainments in knowledge or in ſkill; and ſupport various univerſities and ſchools which ſhall be regulated from time to time, ſo as to ſuit both the neceſſities and the improvements of the age; and which, without being forced upon any, ſhall be open to all of every rank, religion, or nation. The ſtudy of uſeful arts and ſciences and of modern languages ſhould certainly be preferred under ſuch a ſcheme, to the ſtudy of the languages and the works of taſte of *decayed* nations; eſpecially as both the hiſtories and moral writings of theſe nations, when thought of any peculiar utility, may eaſily

be

be tranſlated for the general advantage. — Let me laſtly be allowed to intimate that it is an important, and ought to be a *princely* care, to collect and circulate (and to furniſh individuals with opportunities for collecting and circulating) either new and general, or local and temporary knowledge, affecting the arts, the ſciences, or commerce; a care, far exceeding moſt of thoſe occurring in what by a miſtaken name is called *politics*.

3. *Manners and cuſtoms* have a wide influence in the world; otherwiſe our principal actions would never ſo cloſely accord with the practice of our fore-fathers and aſſociates, and at the ſame time differ ſo generally from the practice of foreigners. Yet production (one of the conſtituents as we have obſerved of commerce) greatly depends on our good management of health, labor, time, materials, and other ſimilar articles; that is, on manners and cuſtoms; as may appear from the following inſtances. One nation loaths a cheap and wholeſome food greedily adopted by another nation; moſt countries apply inſufficient or unneceſſarily expenſive remedies to thoſe great enemies to labor, extreme heat or extreme cold*; houſes and other buildings

* Dr. Franklin who ſeldom as an author omits an Opportunity of drawing wiſe and uſeful practical inferences, has the following intereſting paſſage on the ſubject of the loſs of labor ariſing from cold. — "Much more of the "proſperity of a winter country depends on the plenty and cheapneſs of fuel, than "is generally imagined. In travelling I have obſerved, that in thoſe parts "where the inhabitants can have neither wood nor coal nor turf but at ex-"ceſſive prices, the working people live in miſerable hovels, are ragged, and "have nothing comfortable about them. But where fuel is cheap (or where "they have the art of managing it to advantage) they are well furniſhed with "neceſſaries, and have decent habitations. The obvious reaſon is, that the "working hours of ſuch people are the profitable hours, and they who cannot "afford

buildings are often deficient in form of conſtruction and in durability; dreſs is attended with frequent perverſions as to ſimplicity, agility, and other natural objects to be aimed at in it; the ſelection and the treatment of animals deſtined for laborious and other domeſtic uſes, and the management of our roads and the vehicles traverſing them, are in many caſes highly improper; a like want of conduct or exertion prevails as to ordinary tools and machinery; and the ſame as to agriculture, gardening, and various other important rural or mechanical arts. The difficulty of eradicating any of theſe errors, proves the tenaciouſneſs with which wiſe manners and cuſtoms in theſe particulars, if once eſtabliſhed, might often be preſerved. — It is not however ſo much by laws, as by writings and by examples, by encouragements and by influence†, that ſolid reforms or good meaſures in theſe reſpects are beſt to be produced.

4. As to *morals*, learned men may ſpeculate concerning the origin and baſis of morality, but all men muſt allow

" afford ſufficient fuel have fewer *ſuch* hours in the four-and-twenty, than " thoſe who have it cheap and plenty: For much of the domeſtic work " of poor women, ſuch as ſpinning, ſewing, knitting; and of the men in " thoſe manufactures that require little bodily exerciſe, cannot well be per- " formed where the fingers are numbed with cold: Thoſe people, there- " fore, in cold weather are induced to go to bed ſooner, and lie longer in " a morning, than they would do if they could have good fires or warm " ſtoves to ſit by; and their hours of work are not ſufficient to provide " the means of comfortable ſubſiſtence.—Thoſe public works therefore, ſuch " as roads, canals, &c. by which fuel may be brought cheap into ſuch countries " from diſtant places, are of great utility; and thoſe who promote them " may be reckoned among the benefactors of mankind!" Philadelphian Philoſophical Tranſactions, vol. II. p. 26-7.

† Influence is an aſtoniſhing engine in the hands of courts, ſometimes employed for bad, but rarely upon any ſettled plan for the many good purpoſes to which it is applicable.

that

that it conſiſts in general rules approved by wiſdom and by time, as admirably fitted for promoting univerſal proſperity. The diſcovery of theſe general rules may be conſidered as having contributed practical aids to the human minds, more powerful than any that ſcience has afforded; for theſe rules reſpect not only a moral life, but eſtabliſh likewiſe what in the reſult is found to be an enlightened conduct, and greatly tend to equalize the efforts of men in point of diſcretion. What claſs of people, for inſtance, can fail of proſperity, who obey the laws of diligence, frugality, juſtice, and the other moral virtues, though ſeconded only with moderate perſonal underſtanding? — Of courſe then, theſe virtues are eminently formed for promoting an object like commerce; as they are the parents of exertion and the true ſupporters of equal intercourſe.

5. When I uſe the term *public ſpirit*, I conſider it as a kind of temper, that, whether originating from philanthropy, or from a deſire of applauſe, or from a turn for induſtry, ſeeks to devote itſelf to ſome public end and object. It waits for opportunities, and not for commands; it often toils in ſecret; and incapable of a job, it fulfils and even exceeds its engagements. If there is a ſovereign, that thinks that public ſpirit is not a neceſſary ſecond to royal beneficence, in favour of arts and of commerce; and who conceives that he better knows the various wants of his people, than the individuals do to whom they relate, and who chooſes to truſt to politics rather than to nature; I muſt either pity the ſubjects of ſuch a ſovereign, or in any event I muſt ſay, "Sagacious prince, do you know that "you muſt have a ſucceſſor?" — It is evidently a frugal mode

mode of effecting public good to excite a paſſion for it in individuals, and there are various modes we may obſerve for its operation; for while one man for example gratuitouſly accompliſhes ſervices in his own perſon, another may promote them in his neighbor, and a third circulate the knowledge of them for the public uſe. To give men an attachment therefore to the public, is to fill the ſtate with civil volunteers. — If it ſometimes happens that men deſpiſe the public good and the cares of thoſe who wiſh to purſue it, ſurely it is a fatal evil; and as it ariſes from cauſes that are the *reverſe* of public ſpirit, it ſhews the uſes of this principle; and as the ſource of the defect is always to be traced to the governors, rather than to the governed, it proves the degree in which public ſpirit in the lower order depends on that prevailing in the higher.

6. There cannot be two opinions reſpecting the utility of *eaſy communications* to commerce. If articles are to be exchanged, eaſy means of intercourſe will facilitate their exchange, by ſaving time and ſaving expence and by increaſing the opportunities. Good and numerous roads and inland water-communications, free ſeas and intelligent mariners, are not however the only means that are proper for this purpoſe. Cuſtom-houſe and other fiſcal embarraſſments muſt at the ſame time be removed or ſimplified; various national and foreign prejudices muſt be extinguiſhed; a knowledge of the ſeats both of commodities and of their conſumption muſt be extended; and above all a general ſyſtem of peace, or a more limited or conſiderate way of conducting wars, muſt be promoted, before this ſalutary end can be properly accompliſhed.

7.

5. I muſt next ſpeak of *fixed* and ſufficiently *equal laws*. —And here I muſt obſerve that as the eſtabliſhment of a branch of trade, and even the forming a proviſion for a family, uſually requires the term of an active life for completion; and as the trader is human, and has a ſoul moved by the ſame ſprings as thoſe of his ſuperiors; the trader will not propoſe to eat the bread of care where his reimburſement or reward is made in any way uncertain. All ideas therefore of ſuffering trade to proſper merely till it can bear a tax, or of dragooning it, or of uſing ſtate-caſuiſtry to over-reach it, or of making it the prey of nobles, or of giving protections againſt the operation of its juſt demands, or of influencing courts of judicature where its cauſes are at iſſue, nay even of making ſudden changes in any eſtabliſhed commercial laws*; muſt be utterly abandoned in ſtates that wiſh to encourage trade. Men can conſole themſelves for their *own* imprudence; and can ſubmit to ſucceſſive calamities of *nature*; but the artificial oppreſſions of politicians diſguſt, terrify and deter them: they may be cheated once, but thoſe are dupes to themſelves who think that they will be cheated twice. Trade is from thenceforth extinguiſhed, except where it is revived by enormous profits or unnatural aſſiſtance, which is all given at the public coſt and is more than trade ought ever to receive. —If the ſovereign by thus impoſing

* Moſt governments underſtand ſo little of *trade*, and of the nature and neceſſity of that which traders ſuppoſe to be *juſtice*, that it merits an experiment whether traders are not fully competent to frame and even to adminiſter laws for their own common concerns; the operation of theſe laws being confined either to diſtricts in which traders chiefly reſide, or to ſuch perſons as chooſe to ſignify their ſubmiſſion to them either generally or in a given inſtance.--A merchant-law and merchant-court ſeem not more unreaſonable, than clerical, landed, military, or any other corporate by-laws or courts.

upon himſelf a regular conduct, abridges the ſphere of his capricious deſpotiſm, he not only enlarges his real powers, and fixes his family more firmly on his throne; but makes more impreſſion, as well as a prouder figure among his neighbors; and the riſe of the value of lands, the increaſe of the reſources, population and knowledge of his country, make infinite amends to him for voluntarily reſigning the ſingle and unhappy power of doing wrong.

8. Religious freedom (which is another eſſential aſſiſtant to trade) appears daily gaining ſtrength and popularity; its chief obſtacles lying in the bigotry or habitual bad politics of eſtabliſhed clergymen, and in the complaiſance of timid or ſubtle ſtateſmen* in their favor. In return for the contributions made by men of *other* religious perſuaſions to their permanent ſupport, the eſtabliſhed clergy in general throughout Europe have not only encouraged the excluſion of ſuch perſons from civil offices (though theſe perſons contribute to the ſupport of civil offices alſo) but they have uſually in the firſt inſtance pleaded even againſt indulging them in the privilege of cultivating their religon in private.—The clergy beyond all men one might ſuppoſe ought to know, that religion is a belief and not a form, a perſonal and not a ſtate concern; and that though the ſtate may derive benefits from its prevalence, it ought never to preſcribe the particular modes of it. But ſince experience has ſhewn that none have been more ready than the clergy to interfere in the private concerns of other men with their Creator, and that no aſſociated body of men is ſo ſlow in reforming its errors as their own; it is time that the civil power ſhould interfere and deciſively aboliſh every thing favoring

* See the note, p. 52.

of

of religious perſecution; confining the power of the clergy † to the diſcipline of their own followers ſubject to their own conſent. — As to the *ſectaries* of modern Europe, I conceive that facts and authorities prove it to be beneficial to a country, that a part of its inhabitants ſhould be of this deſcription; or at leaſt if ſectaries have no poſitive advantage ‡ to recommend them, it is certainly impolitic where ſectaries occur, either to expel or to oppreſs them; and not leſs impolitic to deny them ſhelter, when they ſeek admittance from foreign parts in numbers too ſmall to create danger; eſpecially where they poſſeſs wealth, ſkill, or extenſive commercial connections. The religious forbearance that daily and mutually encreaſes among men of all perſuaſions, conſtantly leſſens the probablility of ſe-

 rious

† I ſpeak only of the eccleſiaſtical power of the clergy, avowed or actual. The judicial and other *civil* powers of the clergy in various countries, and the mode of ſupporting the clergy, form political queſtions, with which commercial conſiderations have only an indirect connection.—I allude alſo in what I ſay, to no particular country.

‡ I am inclined to attribute two poſitive advantages to our modern European ſects. — Firſt there *is* a preſumption, (as morals happily bear a connection with almoſt every ſcheme of religion exiſting in modern times in Europe,) that whenever the ſenſe of religion is active enough to aſſume the form of a ſect, a certain decency of manners will accompany it in the maſs of ſectaries; and this expectation is rendered the more probable, by the watchful eye uſually kept by every party over the conduct of ſectaries. — Secondly, when the ſectary finds that he cannot himſelf become eſtabliſhed, he naturally looks to ſelf-defence; and hence he commonly (at leaſt in modern times, and when he is in danger of being oppreſſed by the eſtabliſhment or the civil government) ends in being more or leſs an advocate for religious, and thence probably for a certain meaſure of civil liberty; both of which are connected and beneficial political principles; and have a conſiderable effect in enlarging and giving vigor to the human character. — If theſe rules in favor of the exiſtence of modern European ſects have their exceptions, theſe exceptions ſeem likely to be but ſmall and tranſitory.

rious diſputes ariſing from different religions being profeſſed in the ſame neighborhood; eſpecially where the ſtate applies a due authority in ſupport of the general peace *.

9.

* There is a ſpecies of bigotry, peculiar in its nature, but frequent in practice, belonging to certain ſceptics, who are *convinced of the uſes of religion to ſociety, but fear that religious controverſy may produce that want of faith in others, which prevails in themſelves.* This poſition being political requires a political refutation, which I think is to be found in the following obſervations.

Firſt, old eſtabliſhed clergies (like other corporate bodies) uſually fall into preſumption and ignorance, and, when richly endowed, into idleneſs and vice, in proportion as they want opponents or rivals. 2. From clerical neglects and bad examples not only infidelity ſpontaneouſly ariſes in many, but is induſtriouſly *propagated* in others by infidel publications and diſcourſes; intolerance itſelf being a ſufficient motive with many, for decrying a religion. 3. Meaſures that are only *imperfectly* coercive, can ſcarcely prevent and may ſometimes increaſe religious diſputes; as the toleration actually ſubſiſting in civilized countries, of itſelf permits conſiderable diſcuſſion; and the introduction of an intire reſtraint would be attended with various evils, more dangerous than any that could follow from the controverſies meant to be extinguiſhed. 4. The ſyſtematic perſecutors in queſtion, more true to their feelings than to their theory, oftener ſeek to ſilence the diſputes of Chriſtians among each other, than to ſuppreſs the arguments of atheiſts and deiſts againſt religion in general; though it may ſafely be affirmed in favor of European ſects in general, that they have not only (their numbers and advantages conſidered) abounded in able defenders of religion, but have been particularly favorable to trade, manufactures, and ſcience. *Laſtly*, there is more aptitude to faith in the generality of mankind, than the timid theoriſts in queſtion (arguing from their own example) may at firſt apprehend. — When we conſider therefore, that differences in opinion ſeem natural where men are allowed to think at all, and that perſecution tends to produce either ſtrife or lethargy; and when we add that toleration not only often affords an antidote to the decline of clerical manners, but admits the public ſtrength to be augmented by the acceſſion of numbers from every party; it will appear that we have in theſe reſpects at leaſt a *political* compenſation for any inconvenience ariſing from the mere extenſion of a tacit and imperfect, to an acknowledged and entire religious freedom (the *difference* between which is the whole matter here in contention in countries at *all* reſpectable for their civilization.)

9. There are means of aiding trade in the laſt place (as I have hinted above) which though of general utility, will ſeldom originate from individual traders, (unleſs fortunately inſtigated by public ſpirit.)—Every article of the preſent chapter furniſhes an inſtance of theſe means: but I rather allude to particulars of another deſcription, ſuch as are hinted at in the note below †.—The time will at length it is to be hoped, arrive, when *ſtateſmen* will oftener feel animated than at preſent, with public ſpirit, (that beautiful

If Italy, Spain, and Portugal, are compared with Great Britain and with parts of Germany, Switzerland and the United Provinces, we ſhall diſcover that wherever moſt bigotry and perſecution prevail, religion is there uſually worſt vindicated and in many inſtances is leaſt reſpected; and political proſperity is there uſually at its loweſt ebb. — On the other hand, in France we have had a proof of the poſſibility of ſtateſmen manifeſting more toleration even towards atheiſm, than towards proteſtant hereſy.

To conclude, the prejudice here combated does not in any event appear to require more than the ſuppreſſion of *public* religious diſputations, beyond which therefore its zeal ought not to be extended, (ſuppoſing it proper to be indulged at all.)

Let it be added as a juſtification for the above remarks, that the practice of perſecution has been ſo general and its effects ſo terrible, that there is ſcarcely any country in Europe where it is not neceſſary to combat its remains.

† For example, future ſtateſmen, without danger of ſervilely treading in the footſteps of the paſt, may for the benefit of trade import foreign ſpecies of plants, as alſo of quadrupeds, birds and *fiſhes*; may propagate the knowledge of uſeful ſecrets in farming and in other arts; may more generally than at preſent explore the qualities of the ſoil of a country, and of its ſubterraneous contents; appoint premiums of various deſcriptions for ſpecific diſcoveries; aid the publication of expenſive works which might otherwiſe be declined; eſtabliſh an active police, eſpecially of the preventive kind, rather than a ſuſpicious and inquiſitive police; frame prudent and equitable poor-laws, which ſhall alſo be preventive; introduce ſimple and convenient coins, with uniform weights, and alſo uniform meaſures for length and for capacity; and purſue various other ſimilar objects of utility, many of which have been ſo remote from ordinary practice, as on that account to be likely to be deemed romantic.

beautiful paſſion that ſo much partakes of divinity;) and when one of the chief pretenſions for erecting civil governments ſhall, in *their* hands, be reduced to practice; namely, that of *combining the efforts of the whole ſociety, for attaining what exceeds the power or province of individuals.* Notwithſtanding the appearance of a few noble enterprizes, (of which a part only have been ſucceſsful) our paſt neglects afford too much opportunity for a future harveſt of fame and wealth being reaped by thoſe countries, that ſhall ſecond elevated commercial views with ſteadineſs, patience, and juſtice. — As projects however of the nature here alluded to, are rather to be looked for from men who have leiſure for meditation or who derive their hints from practice, than from politicians; committees may be inſtituted in the great branches of art, ſcience, and political œconomy, for the purpoſe of furniſhing government with advice when wanted in each department. If the number of each committee was made neither too ſmall nor too large, if thoſe who compoſed each committee were reſpectively and from time to time deputed by independent profeſſional bodies, if ſalaries were allowed them that were merely ſufficient to compenſate for loſs of time and for neceſſary expences, and if the opinions given (with their reaſons) were always rendered public; perhaps as much would be done for the purpoſe of furniſhing hints, of checking jobs and intrigues, and of calling forth the additional judgement of that great and uſeful tribunal *the public*, as human infirmities will at preſent in general permit.

In addition to the preceding general means of encouraging commerce, we may mention the following local ones; ſince the ſituation of the principal part of Europe renders them of general operation.

1. It is expedient to abate prejudices againſt commercial occupations, (when they occur) by rendering traders *capable both of public honors and ſtate-employments:* and at the ſame time (in order to prevent theſe novel privileges from having the effect of alienating, inſtead of attaching experience and capital to the purſuit of trade) the holder for the firſt and ſecond generation ſhould forfeit them, whenever he quitted the profeſſion by which they were obtained. — 2. Another encouragement to European commerce would be, the abolition of ſuch *corporation privileges*, as incroach upon the claims of others. It was in barbarous ages, when the rights of men, and the true methods of acquiring national wealth and of impoſing taxes were little underſtood, and when grandees under the crown were of themſelves able to ſell both juſtice and indulgencies to its ſubjects; that this ſingular expedient for limiting the free exerciſe of labor and talent, and the free circulation of capital, was invented. But modern improvements and the powers now united in government, render a change in this reſpect, not only eaſy but expected. — 3. Having before mentioned the benefits to ariſe from adopting the talents and new ideas, the capital and the connections of foreigners; and intimated that criminal and civil law ought to be adminiſtered on equal terms to them and to the natives; I have only farther to ſuggeſt the propriety of allowing foreigners to poſſeſs lands, honors, and certain elective and temporary† employments; provided

† The foreign favorites of princes, eſpecially in a civil line, have uſually cauſed miſchief from their ignoranee of native laws and cuſtoms, &c. but foreigners ſelected from time to time by the natives can ſeldom diſguſt, and may often be uſeful.

they

they give pledge for their behaviour, by ſubmitting to ſome liberal political teſt, or by means of pecuniary ſecurities. They will ſoon become aſſimilated to the natives by good treatment; and among other returns, they will bring to a reaſonable ſtandard the pretenſions of many natives rendered exorbitant from the want of rivals to oppoſe to them. It is weak in a great country, from the fear of foreigners doing miſchief by their thronging to it in exceſſive numbers, to exclude them from it in ſmall numbers and under proper reſtrictions; and betrays a nationality founded on limited views and information.—4. The laſt circumſtance of a local nature which I ſhall notice, as likely to be uſeful to European commerce, is the *diſcouragement of monaſtic inſtitutions*. Trade though it may exiſt, never can flouriſh, while the junior and active members of creditable families not engaged in public purſuits, ſeek a retreat in religious foundations. Violence however is here wholly unneceſſary when ſo eaſy a mode of diſſolving theſe inſtitutions offers itſelf, as that of allowing the funds that ſupport them to be ſhared among the actual incumbents not merely for life, but with a liberty annexed of appropriating the major part by will to any, except corporate uſes*. There are various proteſtant countries, whoſe example demonſtrates that religion and morality may proſper by means of a ſecular (or non-monaſtic) clergy alone; and in any event even where a regular (or monaſtic) clergy ſhall be thought neceſſary to be added, its eſtabliſhment may be modified, as in France.

* This hint is borrowed from the preface to the Engliſh tranſlation of Baron Born's Specimen of the Natural Hiſtory of the various Orders of Monks, after the Manner of the Linnæan Syſtem. Printed for Johnſon.

But

But it is time to conclude this chapter on the beſt general modes of encouraging a free commerce. — I have recited in it what appears to me the principal of theſe means only, and ſuch alſo as I do not elſewhere particularly notice.

CHAPTER II.

Of the Syſtem of the Balance of Trade.

I GO on to conſider the celebrated ſyſtem of *the balance of trade*. — The grand object of this ſyſtem is to make the amount of exported exceed that of imported commodities, in order that a balance may be receivable in gold and in ſilver.

To prevent miſconſtruction, it is neceſſary to premiſe that ſpecie, which is a medium that prevents the many inconveniences of barter, and which is not only approved by all countries and all ages, but which always retains its value amidſt national revolutions, appears a truly important object for all mankind; but at the ſame time it muſt be added, that to ſuppoſe that wealth conſiſts only in the pieces of coin we thus wear in our purſes, and not in our general property and in our perſonal qualifications; is to ſuppoſe that wealth did not exiſt in the world till mines were diſcovered, and that wealth would vaniſh again with the abſence of coin. — Whatever therefore may be the uſes of the precious metals above paper and other mediums of circulation, (and doubtleſs they are great and many,) only a certain ſtock of theſe metals is requiſite in a given ſtate of any ſociety; which ſtock being ſecured to that ſociety, a comparatively ſmall additional annual

import will ſuffice for its annual wear and conſumption. —A greater ſtock indeed than this is not poſſible to be retained in any country even by penal laws, unleſs as plate or as treaſure; either of which deprives the community both of intereſt upon a principal and of profit upon a capital to its evident detriment*.

There is a ſecond prejudice neceſſary to be overcome on the ſubject of ſpecie, which is, that payments made in it to foreigners neceſſarily proceed from a *decline* in other valuable means of payment; to wit, thoſe of production and of induſtry. — But in reply to this apprehenſion of decline, it may be aſſerted, that the fact cannot long exiſt in any great and general degree in modern European nations, ſince no ſuch nation can long ſupport money-payments out of its internal funds, without mines: and though it muſt neceſſarily be confeſſed, that mines are deſtructive as a poſſeſſion to thoſe nations (as Spain and Portugal) that altogether rely upon them, becauſe ſuperſeding and deſtroying induſtry; yet whenever a nation obtains an overflow of ſpecie from foreign parts ſolely by means of its good management, there is evidently no harm in ſuch a nation regularly emitting again that proportion of ſuch imported ſpecie, which it does not want.

But to ſpeak of the *balance* of trade more directly; I think it eaſy for a nation to poſſeſs a regular and ſalutary ſuperiority in its *imports* (after providing for all its calls of coin and without incurring any debt) merely by the

* "It is very ill huſbandry (ſays *Sir William Petty*) to double the caſh "of the nation by deſtroying half its wealth; or to increaſe the caſh other-"wiſe than by increaſing the wealth *ſimul et ſemel!*"—"For there may as "well be too much money in a country as too little, I mean as to the beſt "advantage of its trade." — See Political Anatomy of Ireland.

happy

happy conduct of its public and private affairs. I cannot apprehend that a ſteady balance of *value* thus flowing into the boſom of a nation, and forming the baſis of additional numbers, or of additional ſecurity or enjoyments, ſhould form matter of lamentation; or that we ſhould wiſh to give this balance away again officiouſly in needleſs exports. — As to the particular ſhape alſo which this value ought to aſſume, I conceive it wiſe to leave it to the deciſion of the trader, rather than of the legiſlator; not only as every trader will naturally reſort for his imports to objects of moſt profit; but as goods will generally produce bullion when wanted, as currently as bullion will produce goods.

Without meaning to aſſert that debts may not often be contracted advantageouſly with foreigners, even by a proſperous nation; yet I think that whenever the inſtance occurs of a nation whoſe ſubjects owe little or no money abroad and whoſe induſtry flouriſhes, we have a ſure though incidental ſymptom, that trade is there happily balanced; and I conceive that information collected from modern Cuſtom-houſe entries* can ſupply no proof in this caſe ſo much to be relied upon, as the average ſtate of debts or credits. If Great Britain therefore, after paying a large national intereſt to foreigners and keeping afloat a large maſs of circulating coin, has trading ſubjects that are in a capacity to *lend* money or goods to other nations and to colonies, much oftener than they borrow; we may in general be ſatisfied that the balance of her imports is not *immediately* injurious to her. — I may add that ſince there is perhaps no ſet of traders in this quarter of the globe beſides thoſe of Great Britain,

* See the note at the end of this chapter.

that pretend to afford much mercantile credit abroad, there can be but few lenders and conſequently but few borrowers; and commerce being thus expectant (as it uſually is) of ſtrict returns, I do not ſee that the balances in modern commerce can be much wrong in many European nations, and leaſt of all in our own. — I ſhould therefore in general eſteem it of more conſequence for trading nations to look at the *ſum total* *, than at the *ba-*

* Mr. Adam Smith gives the following ſtriking inſtance, in his work on the *Nature and Cauſes of the Wealth of Nations*, how dangerous it is to rely on general theories. "A nation (ſays this able writer) may im-"port to a greater value than it exports for half a century perhaps to-"gether; the gold and ſilver which comes into it during all this time "may be all immediately ſent out of it; its circulating coin may gra-"dually decay, (different ſorts of paper money being ſubſtituted in its "place,) and even the debts too which it contracts in the principal nations "with whom it deals may be gradually encreaſing; and yet in its real "wealth, (the unchangeable value of the annual produce of its lands and "labor,) may during the ſame period have been increaſing in a much "greater proportion. The ſtate of our North American colonies and of "the trade which they carried on with Great Britain, before the com-"mencement of the diſturbances in 1775, may ſerve as a proof, that this "is by no means an impoſſible ſuppoſition." Book IV. Chap. 3, at the cloſe.—Sir Joſias Child alſo, (in whoſe time the doctrine of the balance of trade firſt originated) beſides giving unanſwerable objections to the common modes of eſtimating general and particular balances in trade, thus confirms the poſition in the text above. "If our trade and ſhipping, (ſays "he) diminiſh, whatever profit particular men may make, the nation "undoubtedly loſeth; and on the contrary, if our trade and ſhipping in-"creaſe, how ſmall and low ſoever the profits are to private men, it is an "infallible indication that the nation in general thrives; for I dare affirm "(and that categorically,) in all parts of the whole world, wherever trade "is great and *continues* ſo and grows daily more great, and increaſeth "in ſhipping, and that for a ſucceſſion not of a few years but of ages, "that trade muſt be nationally profitable." *New Diſcourſe on Trade* Chapter IX.

lance

lance of their exports; ſince commerce may be every day declining in its maſs and amount, notwithſtanding its being rightly balanced in its proportions.

There is ſtill another remark which may further tend to abate that rage for obtaining a balance of (export) trade, which has produced ſuch miſchievous conſequences in modern times to human happineſs.—It has been held, that the *intire balance on the ſide of exports*, (whether of manufactures or ſuperfluities) *is matter of clear gain to the exporting nation*; which is to ſuppoſe, that the production of theſe articles is unattended with expence in bounties, in intereſt of money, in labor, tools, food, and other particulars: whereas it is evident, that the *difference* alone that remains, after paying theſe heavy charges, is to be eſtimated as clear gain to ſuch a nation. (It is in no degree a reply to this to ſay, that the hands ſo employed in producing the exported articles, would otherwiſe have been *idle*; for why might not the traders concerned, or the ſtate, have employed both the fund and the people in queſtion, in beneficial undertakings internally?)

It will thus perhaps appear, that what our theoriſts have really been in ſearch of, has been a balance of induſtry, rather than of value; and that they have been making an examination rather after the *ſource*, than after the *amount* of imports and exports.—And far preferable certainly are imported commodities when gained by induſtry, than when gained either by means of conqueſt, or of mines. But ſurely it is to countries poſſeſſing none but the latter means of wealth, that the caution reſpecting a favourable balance of trade ſhould be principally urged.—We may even add upon this ſubject, that induſtry itſelf is not the *only*

ſource

ſource of wealth; ſince prudence contributes materially to wealth, as well as various other qualities and advantages, of which œconomy is none of the leaſt. — Nor ſhould we omit to remind the partizans of the balance in queſtion, that they ſhould make an eſſential deduction from their favorite calculations for the effect of *wars*; which, after mortgaging large proportions of a nation's annual induſtry and productions to unprofitable individuals at home, *ſwell our exports* with other portions of it to pay the intereſt upon our national engagements in the hands of foreigners.

So much then for the ſyſtem of the balance of trade; which, we may obſerve, in one view of it ſeems founded in a miſtake of things, and in another view of it in a miſtake of words; and which in any event (as has juſt been intimated) is little worthy of being inſiſted upon to an induſtrious nation (like the Britiſh) that is without mines of gold and ſilver, unleſs to repreſs its ardor in ſeeking wealth by means of arms *.—I now go on to agriculture.

* The accuracy of ſome of the opinions reſpecting the balance of trade which have been inferred from cuſtomhouſe ſtatements, will appear from four memorable facts occurring within leſs than four years in our own country: They are as follow.

1ſt. The lords of a committee of privy council, (appointed for the conſideration of all matters relating to trade and foreign plantations,) being ordered to collect data for forming a commercial arrangement between Great Britain and Ireland, after taking into conſideration the ſtate of the trade between the two kingdoms; report to the king, on the 1ſt of March 1785, among other particulars, the following. ‘ Upon examining the accounts of ‘ exports and imports as ſtated by the *proper* officers of the cuſtoms in each ‘ kingdom, they have found the moſt material difference, not only in the ‘ total *valuation* by which alone the real balance of trade between the two

‘ countries

'countries can be aſcertained; but alſo very great differences in the *quan-*
'*tities* of the ſeveral ſpecific articles, ſtated as imported from Ireland into
'Great Britain.' 'If the committee are to rely on the accounts ſtated in
'Ireland, the balance of trade between Great Britain and Ireland is MUCH
'*againſt Great Britain:* if on the contrary, they are to rely on the accounts
'of the Britiſh cuſtomhouſe, the balance of trade between the two king-
'doms is GREATLY *againſt Ireland*;—and yet *it is ſingular* that in the
'moſt capital articles of Iriſh export, it appears by the Britiſh accounts,
'that more has been imported from Ireland into England, than appears by
'the Iriſh accounts to have been exported from thence into Great Britain.'
'And excluſive of the articles above mentioned, many others are totally
'omitted in the Iriſh accounts of exports to Great Britain, or appear to be
'much leſs in quantity than the imports into England.' 'It is too true,
'that the committee have *not been able* to procure complete accounts of
'the trade between Ireland and Scotland; but it is not probable that any
'thing would appear from thoſe accounts, ſufficient to reconcile the great
'contradictions before mentioned. It is further true, that many articles
'of import and export, in the accounts of England, Scotland, and Ireland,
'are *all* differently rated.' 'Under theſe difficulties and for want of ſuf-
'ficient time, the committee find themſelves obliged to leave this ſubject.'—
It appears therefore from the above report, that the cuſtomhouſe books of two kingdoms which are under the ſame government, may differ not only in their totals but in their modes of computation of the ſame branches of trade; and it appears likewiſe that material omiſſions may ſometimes occur in theſe books, and that authority cannot always prevail for the ready production of them. The rates (or in other words, the eſtimates of the ſtandard value of commodities) made uſe of for the books of the Engliſh cuſtom-houſe, being principally fixed by a committee of Engliſh peers in 1696, this circumſtance alone (the fluctuations in the nature and value of commodities being conſidered) is ſufficient to invalidate any minute inferences that may be drawn from them.—We may add, that the ſum of the variations in the account of theſe balances has exceeded one fourth of the amount given by the higheſt of the two computations for the total annual value of the trade.

2d. The proceedings in the Britiſh parliament in in 1787, reſpecting our commerce with Portugal, furniſh another inſtance of the contrariety often occurring in commercial documents. Adminiſtration, it is to be obſerved, in preference to the cuſtomhouſe accounts of our trade with Portugal for

1785,

1785, adhered upon this occaſion to the accounts collected by our factory at Liſbon for the ſame year. —— The two accounts differ by one third as to the imports into Great Britain, and correſpond but imperfectly as to the exports. The freights upon our exports, and the expences of our ſhipping in the Portugueze harbours, have no place in the cuſtomhouſe accounts, any more than the fiſh and timber ſent to Portugal by our colonies; though noticed by the factory. The imports of Great Britain from Madeira we may add, are ſtated by the cuſtomhouſe only at £3000 value: though the conſumption of Madeira wine by Britiſh ſubjects in Great Britain, and ſtill more in the Eaſt and Weſt Indies and upon the high ſeas, (which ought all to be eſtimated in a national view,) muſt neceſſarily have exceeded the trifling value (of £3000) here ſet down.

3d. The cuſtomhouſe paper laſt alluded to (being an account of exports and imports with Great Britain from Chriſtmas 1782 to Chriſtmas 1785, ordered by the Britiſh houſe of commons February 2, 1787) differs from another cuſtomhouſe paper (ordered by the Britiſh houſe of commons, July 29, 1784) reſpecting the imports into England and Scotland in 1783. Beſides a diſagreement as to the imports from Portugal, there is a difference that is ſtill more remarkable, viz. as to the total imports of 1783 into this iſland; this difference amounting to no leſs a ſum than £769,283.—Should theſe variations be traced to accidental errors, or be explained as owing to latent cauſes, it will ſtill appear dangerous to rely on inferences drawn from the accounts uſually appearing on the part of the cuſtomhouſe.

4th. And laſtly, Mr. Baring, one of the Eaſt India directors, and a gentleman of reputed accuracy, tells us, that "our annual conſumption of "tea exceeds eighteen millions of pounds weight; of which twelve mil-"lions muſt have been conſtantly ſupplied by the ſmuggler," previous to the commutation act. Stating the ſupply from the ſmuggler however as leſs than ten millions, it will appear that at leaſt £1,700,000 has annually eſcaped the cuſtomhouſe reports in the ſingle article of tea, previous to the period in queſtion. *See principle of the Commutation Act, &c.* p. 40 and 42.

It is obvious from this detail of facts, how little reliance can be placed on the accounts of the balances of trade, when ſuch ſources of inaccuracy appear in the eſtimates of exports and imports that are compared in order to obtain them. Count Mirabeau, the Marquis de Caſaux, and M. Neckar, have lately given arguments on this ſubject, which though they might be much

extended

extended and inforced with reſpect to this country, yet when added to the above facts, will render any *other* comments ſuperfluous.

It remains only to hope, therefore, that ſome reforms will take place reſpecting theſe eſtimates, particularly that of being made more comprehenſive in their objects; as there are many views in which they may be highly uſeful.

CHAPTER III.

Of the Pre-eminence in general of Agriculture over other Purſuits of Induſtry.

I HAVE intimated above, that to *neglect native and to depend upon foreign agriculture*, induces a *double* national loſs; that is, that foreigners (over and above the reimburſement of the agricultural expences,) make a charge of their nett rent and landed taxes* upon the landed produce they export; which the importing territory might not only avoid paying, but might obtain for its own account by ſupplying theſe articles to foreign markets. This nett rent and fund for taxes (derived to certain individuals from an appropriation of the ſoil) though evidently *founded in monopoly*, has been ſlightly regarded by the legiſlatures and theoriſts moſt devoted to *monopolies in trade*.—Yet its importance may eaſily be made to appear by an illuſtration. In Europe the amount of the *groſs* land rent is held †

equivalent

* To the ſovereign and clergy, and for poor, pariſh, and county rates.

† "The rent of an eſtate above ground, commonly amounts to what is "ſuppoſed to be a *third* of the groſs produce; and it is generally a rent cer- "tain, and independent of the occaſional variations of the crop. In coal- "mines a fifth of the groſs produce is a very good rent; a tenth the com- "mon rent, &c." Smith's Wealth of Nations, Book I. ch. 11. Part I.

"In

equivalent to a third or fourth part of the groſs produce of the ſoil: if there were an iſland in it therefore, (ſay Great Britain) having an export trade of fifteen millions ſterling groſs amount on the one hand, and ſixty millions of acres of land, each yielding five ſhillings nett rent and taxes, (or fifteen millions ſterling in the whole) on the other; there is no doubt that the landed concern would of the two be the moſt important, becauſe the amounts being equal, one of the values is groſs, the other nett‡.

We have other means however of fixing a parallel between foreign trade and agriculture, which may by ſome be eſteemed leſs ſpeculative than the preceding.—Firſt from the *effects* of each. Thus the number of houſes and villas, and the mode of living of foreign traders; bear no proportion to the number of cottages, farm-houſes, ſeats, town-reſidences and palaces; and to the pageantry of thoſe depending upon the land.—The ſame aſcendency is again proved in agriculture from its ſeveral *connections and rela-*

" In the caſe of a ſpecies of farmers in France, called *Métayers*, the pro-
" prietor furniſhes the ſtock neceſſary for cultivating the farm; and the
" produce is divided *equally* between the proprietor and the farmer, after
" ſetting aſide what is neceſſary for keeping up the ſtock." See *ib.* Book III. ch. II.

‡ This compariſon is made with foreign trade and not with domeſtic; as the ſyſtem of monopoly ultimately reſpects our dealings with foreign nations. —It will be farther proper to remark, that trade has two parts, export and import; and agriculture likewiſe two parts, expence of cultivation and returns of cultivation. In each caſe therefore I would compare a part with a part.—As to trade, in this country, I certainly follow the common opinion in ſtating the exports to be of more amount than the imports; but either of the two will ſerve for a ſtandard in the computation above.—I have ſpoken in the text alſo of amounts only; but had I weighed utilities, there is no doubt that mankind can better do without manufacturing, than without agriculture; without luxuries, than without ſubſiſtence.

tions:

tions: thus if it be true that the groſs rent of land is itſelf to be deemed only as a third or fourth part of the total yielding of the ſoil, how vaſt a ſcene of induſtry and of taxes is offered by thoſe who are intereſted in the whole amount of the earth's grateful ſupplies. — Moreover, the *land* (with its connected elements of air and water) being the *grand ſource whence nature ſupports her tributaries*, foreign trade which repreſents the little portion of produce exchanged between territory and territory, can bear no competition with the general immenſity of productions; or even with thoſe greater and more uſeful exchanges of productions which take place at home, between ſubject and ſubject.—Laſtly, in viewing the *nature* and the *objects* of agriculture, we ſhall find in it new cauſes for attachment. For example, the lands in *Europe* being generally allotted to the raiſing of articles of prime neceſſity or of inveterate habit; a commerce founded upon what are conſidered as neceſſaries muſt in general be more *certain*, than a trade in trifles; which fluctuates from the double circumſtance of fancy in the purchaſer, and ability in the ſupplier. A trade for neceſſaries is alſo uſually the moſt *extenſive*, the poorer *many* always affording larger markets than the richer *few*. It may alſo be remarked, that agriculture, though the nobleſt of arts, yet alike befits the peaſant and the peer*: that it provides nume-

 rous

* Xenophon makes Socrates affirm, 'that the moſt fortunate of mankind had been unable to abſtain from agriculture.' *Memor. Book V. Of Oeconom.*—'Mercatorem (ſays Cato) ſtrenuum ſtudioſumque rei quærendæ 'exiſtimo; verum periculoſum & calamitoſum: at ex agricolis, et viri 'fortiſſimi & milites ſtrenuiſſimi gignuntur; maximeque pius quæſtus 'ſtabiliſſimuſque conſequitur, minimeque invidioſus; minimeque male co-'gitantes qui in eo ſtudio occupati ſunt.' *De re ruſt.* 'Voluptatibus 'agricolarum

rous and healthy ſubjects, who are eaſily ſubſiſted, are attached to their home, and add conſiderably to its ſecurity; that it is little liable to and ſoon recovers from diſaſters; that it can in general more readily vary its objects than is the caſe with trade; that it is particularly independent as to foreigners, ultimately certain in its profits, infinite in its duration, pacific in its tendency, conſiſtent with good morals, and capable of flouriſhing to a certain degree even under arbitrary ſovereigns*. Nor is it the leaſt of its merits,

'agricolarum (adds Cicero) ego incredibile delector, quæ nec ullâ impedi-
'untur ſenectute, & mihi ad ſapientis vitam proxime videntur accedere.'
De Senect. — O! ſi ſua bona norint! *Horace.*

Antient and modern writers abound with ſo many fine paſſages on the ſubject of agricultural purſuits, that it is much to be wiſhed that a ſelection were made on this ſubject, accompanied with the neceſſary tranſlations in pointed language. Such a taſk would be highly uſeful, and worthy of the firſt perſonage of the age.

* "No veſtige now remains of the great wealth, ſaid to have been poſ-
"ſeſſed by the greater part of the Hans-towns, except in the obſcure hiſ-
"tories of the thirteenth and fourteenth centuries; it is even uncertain
"where ſome of them were ſituated, or to what towns in Europe the
"Latin names given to ſome of them belong. But though the misfortunes
"of Italy in the end of the fifteenth and beginning of the ſixteenth centu-
"ries greatly diminiſhed the commerce and manufactures of the cities of
"Lombardy and Tuſcany, thoſe countries ſtill continue to be among the
"moſt populous and beſt cultivated in Europe. The civil wars of Flanders,
"and the Spaniſh government which ſucceeded them, chaſed away the
"great commerce of Antwerp, Ghent, and Bruges: but Flanders ſtill
"continues to be one of the richeſt, beſt cultivated, and moſt populous
"provinces of Europe.—The ordinary revolutions of war and government
"eaſily dry up the ſources of that wealth which ariſes from commerce only.
"That which ariſes from the more ſolid improvements of agriculture, is
"much more durable, and cannot be deſtroyed but by thoſe more violent
"convulſions occaſioned by the depredations of hoſtile and barbarous nations
"continued for a century or two together; ſuch as thoſe that happened for

"ſome

merits, that when it is cheriſhed with intelligence, and is practiſed upon enlarged principles, it will ſecretly tend to mend the laws; errors in political conſtitutions having chiefly originated with the landed intereſt.

I praiſe agriculture becauſe others would depreſs it, *yet without wiſhing to diſparage foreign trade*; which I think ſo perfectly conſiſtent with agriculture, as to be capable of rendering it eſſential aid.—Much leſs would I inſinuate that the *arts* ſhould be diſcarded in any country; for thoſe who have overlooked the other merits of agriculture, have equally forgotten that a number of arts make an eſſential

" ſome time before and after the fall of the Roman Empire in the weſtern " provinces of Europe." *See Smith's Wealth of Nations*, Vol. II. Book III. Chap. IV.

The following conſideration found in the ſame author is highly important. —" Manufactures require a much more *extenſive* market than the moſt im- " portant parts of the rude produce of the land. A ſingle ſhoemaker will " make more than three hundred pairs of ſhoes in the year, and his own " family will not perhaps wear out ſix pairs: unleſs therefore he has the " cuſtom of at leaſt fifty ſuch families as his own, he cannot diſpoſe of the " whole produce of his own labour. The moſt numerous claſs of artifi- " cers will ſeldom, in a large country, make more than one in fifty, or " one in a hundred of the whole number of families contained it.—But in " ſuch large countries as France and England, the number of people em- " ployed in agriculture has by ſome authors been computed at a half, by " others at a third, and by no author that I know of, at leſs than a fifth " of the whole inhabitants of the country. But as the produce of the " agriculture, of both France and England is, the far greater part of it con- " ſumed at home, each perſon employed in it muſt, according to theſe " computations, require little more than the cuſtom of one, two, or, at " moſt, of four ſuch families as his own, in order to diſpoſe uf the whole " produce of his own labour.—Agriculture, therefore, can ſupport itſelf " under the diſcouragement of a confined market, much better than ma- " nufactures." *See as above.* Vol. III. Book IV. C. IX.

part

part of agriculture itſelf *. Agriculture requires other arts again for its implements, and ſtill more arts for its accommodation and conſumption; it furniſhes motives and means alſo for other arts; and by including in itſelf or in its appendages the chief component parts of a territorial nation, agriculture will in general appear the ultimate mover in almoſt every ſpecies of trade.—We may add, that when agriculture is once eſtabliſhed, we may ſafely conſent to augment the number of our artiſts at home, in order more completely to conſume its fruits there; and if the native produce ſhould become inſufficient for ſubſiſting and employing the growing population, the new reſidents of the country will neceſſarily learn to attract foreign ſubſiſtence and raw materials into it, in return for their exported labour.— To favor agriculture therefore, is to favor foreign trade and various arts; and to favor all unitedly, we muſt reſort to commercial freedom; for even agriculture ſhould truſt for its ſucceſs to wholeſome manners and general inſtitutions in the firſt inſtance, and to a freedom of trade in the ſecond, rather than to ſophiſtical ſupport and capricious ſtate tutors; little more being in general requiſite for willing and informed ſubjects, than permiſſion to purſue their intereſt in ſecurity.

As it is proper to clear up the *material difficulties* which counteract the predilection due to agriculture, I ſhall touch upon *three*.—One is, the notion that *land conſidered as a mere poſſeſſion yields but little annual intereſt to its proprietor*, its value conſidered.—If this difficulty only

* As milling, malting, tanning, wine-making, brewing, cooperage, preparing wool, and flax, and ſilk, engineering, &c. &c.

reſpected

reſpected the extra-expences incurred by the landlord in *improving* his property; it might be eaſy to anſwer, that the landlord naturally expects a benefit from *theſe* expences, which ſhall amount to more than his mere reimburſement. — But the queſtion before us going deeper, and reſpecting the other and *primary* part of the value of the land, is to be met by a different reply. Suppoſe then that land, acquired accidentally, as for example, (by dereliction or by conqueſt) ſhould for the firſt time be *alienated for money*; it is clear that there would in this caſe be no *abſorption* of money, but merely a transfer of it; one perſon becoming money-carrier inſtead of another, (who in return becomes a poſſeſſor of land.) If the income of the buyer is diminiſhed, the ſeller may eaſily compenſate for it by applying the money he receives to the ſame lucrative purpoſes and obtaining the ſame rate of intereſt or profit upon it, that the buyer had done; and thus each party may be conſidered as reſpectively perſonating the other, the maſs of property being unchanged as far as concerns the ſtate.—As to the of caſe the *ſpendthrift-ſeller*, it may be remarked, that perhaps he has already conſumed the value of his land by being in debt, the actual ſale of it only enabling him to reſtore back their property to honeſt tradeſmen; or in any event*, that he only repreſents the buyer's ſpendthrift heir, who might have diſſipated the ſame amount, did not the entail of the landed purchaſe prevent him; and likewiſe, that all the domeſtic

* If the land-owner (without the intervention of the monied man) had made over his eſtate to tradeſmen and to tax-gatherers, and theſe had ſold the eſtate to the monied man, we ſhould have exactly the *worſt* caſe poſſible; viz. a new land-owner, ſubſiſted tradeſmen, with a rich exchequer and a beggared old proprietor.

expences

expences of the ſeller neceſſarily ſupport (for the time being) both tradeſmen and taxes. — But we may view the queſtion in other lights. A rent from land and an intereſt from money for example, are each virtually but a *ſpecies of annuity*; and as it is a known fact, that lands may remain for centuries in the ſame families (of which perſonal property is incapable, owing particularly to the revolutions attending credit,) the annuity which is *moſt durable* (namely the landed one) neceſſarily deſerves the moſt price; ſo that in this view again the caſe is free from injury. — There is even an advantage often attending the transfer of land for money, namely that the buyer, if a trader, often exhibits an enterprize, attention, and judicious employment of capital in improving his new purchaſe, that operates in favor of agriculture both directly and by means of his example. — Again, the difficulty of keeping rich men in trade, or of confining them to inveſtments in the national funds, makes it proper that either landed purchaſes or landed mortgages ſhould offer a new mode of placing their wealth at home, in order to prevent the migration * of their capitals, (the landed gentry

* It is only true in ſome ſenſes and in ſome degree, that money finds its own level, or that men poſſeſſing only perſonal property are given to change their place of reſidence. Where monied men are contented, there they continue; and what beſt contents them, is neither climate, ſoil, nor amuſements; but principally a good government, which leaves every thing open to them, and ſecures to them poſſeſſion of all they can attain. Wherever men are born and reſide, there they wiſh the chief of their wealth to be depoſited. — What can more clearly prove that men and riches are each ſlowly locomotive, than the difference in the intereſt of money of one and two per cent. which has prevailed in commercial countries ſo neighboring as England

gentry who receive the money, as being natives, uſually ſpending or employing it at home.)—So much for the difficulty ariſing from the low intereſt of money that is afforded to that purchaſer of lands, who treats them as a mere poſſeſſion.

A ſecond difficulty which attends the agricultural ſyſtem is, that *practical agriculture is held not to be lucrative to thoſe who exerciſe it.* And certainly, while the landlord aſſumes every landed improvement for his own account when renewing a farmer's leaſe, and while the farmer (from the complex nature of agriculture and other cauſes) rarely† holds large tracts of cultivated land at once; no individual farmer can be expected to attain the uſual fortune of a merchant. But in return for this, as the farmer acquires more returns upon his little capital in proportion, than the merchant upon his large one, a given ſum yields him more individual profit, than a given ſum yields in the hands of a merchant; or in other words, twenty farmers with each £300 capital, will together gain a larger profit than one merchant with £6,000 in trade: and doubtleſs the cultivators of land ought to reap this profit, ſince like retailers in trade, they muſt be paid for their perſonal attention.—As to the ruin of a few experimenters in agriculture, this calamity is not peculiar; many more expe-

England and Holland? A like difference prevails between England and Ireland. Holland and Ireland make a ſtill more ſtriking difference, though complete naturalization (except as to a ſhare in the public government and burthens) is now the conſequence only of a year's reſidence in Ireland.

† Poſſibly practical agriculture may hereafter be found capable of more extenſive departments and a wider ſcene of action, ſo as more to reſemble the wholeſale dealings of merchants in commerce, than at preſent.

rimenters being ruined in mechanics and in trade, which are purſuits far more adventurous.

As to the *third difficulty* which the ſyſtem of agriculture has to combat; it ariſes from the idea that to export landed produce, and to export work produced by thoſe who conſume the landed produce, are ultimately one and the ſame thing *: whence it ſeems concluded, that *manufactures by facilitating ſuch export are the beſt friends of agriculture.*—And this concluſion is certainly incontrovertible for a country fully cultivated, or which finds the intire ſale of its landed produce impracticable in every ſhape;—but it appears not to be equally true for any *other* country. For example: if five farmers belonging to *one* landlord, raiſe food to ſubſiſt themſelves and ten mechanics beſides, there are in this caſe only five farmers and one landlord; whereas if there were opportunity for the ten mechanics to be turned back upon the ſoil, there might be fifteen farmers and *three* landlords (each landlord poſſeſſing his ſeparate monopoly of rent.) I need not repeat the reaſons why landed perſons appear preferable as

* Thus that penetrating writer and reſpectable authority, Dr. Franklin, ſeems to conſider manufactures as "ſubſiſtence metamorphoſed." His language is as follows: "Manufactures are only another ſhape into which "ſo much proviſions and ſubſiſtence are turned, as were equal in value to "the manufactures produced." "The produce of the earth, thus con-"verted into manufactures, may be more eaſily carried to diſtant markets "than before this converſion." "Though *ſixpenny-worth* of flax may be "worth *twenty* ſhillings when worked into lace, yet the very cauſe of "its being worth twenty ſhillings is, that, beſides the flax, it has coſt nine-"teen ſhillings and ſixpence to the manufacturer." See his Political, Philoſophical, and Miſcellaneous Pieces, Edit. 1779, under the article of "*Po-"ſitions to be examined.*"—The ſame is ſaid by other authors.

ſubjects

ſubjects to manufacturers. —— In ſhort, manufactures (as has been obſerved above) ſeem but a tardy mode of advancing agriculture, compared with others that offer; though it muſt be acknowledged that the caſe is certainly much helped, whenever the manufacturer contributes not only his perſonal conſumption, his reſidence and his capital, to the aid of agriculture; but works up large quantities of *agricultural materials into manufactures* for foreign markets; opening by this means a *double* channel for the vent of agricultural products. Hence then there ſeems no reaſon for retracting what was formerly* advanced; namely that it is wiſe to endeavor to export agricultural articles in their leaſt manufactured ſtate, (as affording the largeſt vent for them,) before we devote ourſelves with anxiety to finer fabrics: (eſpecially if we mean to favor navigation; rude materials being in general far more bulky, than thoſe which are finely wrought, where the values are equal.) — So much for the *third* difficulty attending the pretenſions of agriculture to be conſidered as ſuperior to manufactures.

I ſhall only add a few concluding words to impreſs the principle, that there is ſuch a thing as *net rent* or net income, which exiſts independent of all expences of cultivation, of capital, and of taxes; (which net amount is to be underſtood as having flowed *gratuitouſly* into the hands of the original or ſubſequent proprietors of the land.) I might ſafely refer only to the common ſenſe of every obſerver for the eſtabliſhment of this fact; but the perſuaſion will probably become more *practical*, by the help of examples.—I cite therefore the caſe of uncultivated

* See page 10.

commons, marſhes, downs, and woods, which yield profits without requiring expenditure or exertion; alſo that of barren land (covered with the buildings of a third perſon) which produces a ground-rent; that of land abandoned by the ſea or by rivers, giving immediate rent as paſture, by means of natural ſpontaneous herbage; or of rents raiſed from a low rate to a high one, by the ſtroke of a landlord's pen; or of mines newly diſcovered, which are often in the firſt inſtance farmed out profitably to adventurers, &c. &c. In ſhort, the practice of antient conquerors in diſtributing vacant lands to their ſoldiers and adherents; alſo the feudal tenures erected in Europe and in other countries; the fines upon the renewal of copyhold leaſes, where the lord of the manor ſtands at no expence whatever; quit-rents, royal and manorial; the rapid progreſs of landed colonies; the riſe of value in waſte lands which were originally beſtowed for the expence of patenting in and of quit-rents, (which value increaſes ſo rapidly in ſome of theſe colonies, as to be equivalent to the progreſs of a high compound intereſt* ;) all theſe I ſay, and the immenſely

* The caſe of North America is peculiar enough to be worth noticing. The coloniſts from Europe found a large portion of the globe there without fixed inhabitants. The change from this ſituation we find as follows. The firſt lands were had gratis; then a ſpeculating profit was put upon them; then a real profit accrued to the cultivating proprietor, beyond his mere return for labor and expence; and laſtly from the growing ſcarcity of land and increaſe of people, the æra is now approaching when the profits will become ſufficient for farmers and landlords to be maintained out of the ſame ſpot. — This courſe is ſo rapid, as to produce the fact alluded to in the text.

Will not the future land-rent be intire gain here, without any labor having been annexed? And will not this prove the doctrine attempted

to

menſely creative powers in vegetation, are ſo many intereſting corroborations of the fact in view. — But at the ſame time that I contend that net-rent or net-income exiſts, diſtinct from all effort or expence; yet I muſt acknowledge, that expences may be incurred by the original proprietor to improve his property. But then it is clear, that when this happens, not only the land-owner (as mentioned above) expects his reimburſement (without which his expenditure is rather to be called a luxury, than an advance for the purpoſe of improving property;) but likewiſe that ſome of theſe expences, when once incurred, remain for ever† with little new charge to the land-owner. I may add that there is another part of landed advances which are uſually made by the farmer, who is allowed a ſhare of the annual produce of the land in recompence for this burthen; and which expences conſequently being clearly reimburſed by the land, never reach the landlord.

If I am here aſked, why theſe principles reſpecting agriculture being thus apparently important, have not been more noticed, the anſwer is eaſy. The rage for manufacturing and for trade is a modern and European faſhion; and conſequently till of late, there was little compariſon neceſſary to be drawn between commercial and landed occupations. — But the violent exceſſes of the trading ſyſtem, it ſeems have at length provoked ſome inquiry and crimination; firſt in France, where the landed intereſt

to be eſtabliſhed in the courſe of this treatiſe, that rent is in part the produce of monopoly?

† As roads, bridges, ſurveys, large drains or embankments, &c.

though

though ſo extenſive, was made in many reſpects intirely ſubordinate to it; and next in Scotland, where their literary men, connected neither with land nor with trade, have purſued this important controverſy with great diſtinctneſs and advantage. I think it important to add, (what has been very well obſerved) that few anſwers have appeared on the part of traders or others, to theſe able and reſpectable attacks upon the ſyſtem of monopoly.

As great and extenſive truths cannot eaſily lie hid, their conſequences and combinations forcing themſelves upon the mind of man under various views; the gainfulneſs of agriculture contraſted with trade, has made the foundation of a famous diſtinction (common in a certain claſs of French writers) as to labor; namely that labor is of two kinds, productive and unproductive, agriculture alone it is ſaid belonging to the firſt of theſe claſſes*. *Generally ſpeaking*, I believe that moſt human labors and exertions, in the ſame countries, ſooner or later are ſimilarly recompenſed, the claſs of life and other fixed circumſtances conſidered; but the grand particular which renders agricultural labor ſo eminently "productive" in a national view, appears to be that ſo often alluded to here; to wit, net-rent or net-income;

* Labor ſhould rather be diſtinguiſhed into *three* claſſes and their combinations; viz. labor that *produces* its equivalent, labor that does *not* produce its equivalent, and labor that produces *more* than its equivalent. — The powers of agriculture fall very far ſhort of the powers of many kinds of machinery in *multiplying productions*; but machinery becoming adopted by many hands, nothing at leaſt but the labor and proper charges attending it, continue to be paid for; but the monopoly of land in civilized and populous countries is never extinguiſhed like that of machinery; and more therefore is conſtantly received, in ſuch countries in the caſe of agriculture, than the amount of labor and the attendant charges.

conſiſting of *a reſerve of profit, allowed to the proprietor of land by the common conſent of all civilized and populous countries, over and above his advances.*—This ſurplus-profit there is little probability will ever ceaſe to have place; eſpecially as it appears to be the neceſſary conſequence of the natural (and apparently wiſe) cuſtom, of allowing the ſoil to have *fixed owners when the wandering or diſturbed ſtate of ſociety ceaſes* *.—So much for the third head of our appendix reſpecting agriculture.

CHAPTER IV.

A Compariſon between Bounties, Prohibitions and Drawbacks; with ſome miſcellaneous Remarks.

BOUNTIES are not merely leſs odious to foreigners than *prohibitions*; they are alſo leſs hurtful to the ſtate. Their expence is oſtenſible, and therefore acts as

* That our ſtate of huſbandry is not perfected in this iſland, is plain from the ſingle circumſtance, that ſome few counties in it are *far* better cultivated than the remaining majority. And I am inclined to think, that the public will have a right to *call thoſe landlords to account*, who, after our code of laws for the landed intereſt ſhall have been corrected (if ever that is to happen,) ſhall remain liſtleſs and careleſs in improving the talent thus committed by nature and the government of the country to their charge.—The ſyſtem of poſtponing fine manufactures, till agriculture is firſt advanced, would not leſſen our population: we ſhould have more huſbandmen only, inſtead of more artiſts; though in due time we ſhould ſuperadd artiſts.

a perpetual monitor for its diſcontinuance; the *whole* community are contributors to it; and (which is a moſt important conſideration) the public is after all, ſtill left open to ſupplies of the article to which the bounty relates from every quarter.—In ſhort, plenty, (generally ſpeaking) is the object of bounties.

But *prohibitions* imply a more covert, and therefore a more inſinuating and more dangerous expence; the burthen of them alſo falls upon particular individuals, though intended to ſerve the public generally; and laſtly the conſequences of encouraging them are mercantile impoſition, extinguiſhed emulation, and ſcarce, inferior and often ill-timed ſupplies.—Scarcity in ſhort is the firſt reſult of prohibitions; and the place of production, rather than the plenty of commodities, appears their ultimate object.

I have nothing to ſay againſt the principle of *drawbacks*, (or the ſurrender of ſo much of a tax upon an eligible article of export, as ſhall facilitate its vent.) The citizens of the ſtate muſt never be kept idle, becauſe the tranſaction that is to benefit the ſtate will not at the ſame time yield a direct *tax*.—To ſome perſons indeed every thing ſeems uſeleſs, that does not end in taxes; but it is a falſe doctrine that taxes are the only ſources of public power, the revenue and the ſtate being two diſtinct things, only to be united when the ſtate is preferred*. Of conſequence no policy ſeems more obvious, than that of ſuſpending a tax when it injures a trade; eſpecially as the tax by the

* Hiſtory leaves no doubt that proper burthens, as far as the capacity and habits of a ſtate extend, will always be ſupported in a proper cauſe, when miniſters poſſeſſing the public confidence, know *how* to place them.

ſuppoſition

ſuppoſition in queſtion, would only be *nominal* (at leaſt in a principal degree) when the trade had declined. And as there is a charge to the public and a loſs of intereſt and other ſerious inconveniences to the individual, when the tax is collected; and likewiſe charges both to the public and to individuals, as well as danger of fraud and even of injuſtice, when it is propoſed to refund the tax; the concluſion preſenting itſelf, is, that the *neceſſity* of a drawback is more or leſs an argument againſt every tax, where the export of the taxed article is of conſiderable amount.

Thus much may be ſaid upon the compariſon of bounties, prohibitions and drawbacks. — It is now proper to ſubjoin ſome remarks of a miſcellaneous nature reſpecting theſe objects.

1. If a ſtate advances the firſt coſt of any eſtabliſhment, it is from an expectation of its repayment ſooner or later, or of deriving directly or indirectly an annual profit from it equivalent to the intereſt of the money expended; or it is plain it does what no wiſe individual would do, when obliged to borrow at a high intereſt, and to ſuſtain heavy debts.

2. It is to be wiſhed that when a bounty is thought to be proper, that it ſhould be allotted out of ſome ſpecific tax upon native ſubjects; by which means not only the ſtateſman would be led to ſtudy and poiſe the comparative nature of his operations, but individuals be excited to canvas the arguments uſed in favour of contributions levied at *their* expence *.

* The Penſylvanian legiſlature, upon the principle that the money of the public was once the money of its individuals, lays down the following rule, the

3. As to letters patent for a ſhort term merely to encourage inventions, they ſeem a neceſſary evil. They reſpect nothing that is old and accompliſhed by others, ſince to prove this againſt them annuls the grant; they are alſo profitable to the authors, only ſo long as they give ſatisfaction to the public; and they create no burthenſome general tax, the individuals to whom they relate chearfully paying the authors the amount in queſtion, in return for ſome ſaving or ſome convenience or pleaſure, to which they give riſe. —— The only improvement of conſequence therefore reſpecting them, ſeems to be a power of limiting their profits to a certain liberal amount; by allowing any ſet of adventurers to participate in the patent, who ſhall apply for leave publicly during a given period, and ſhall pay to the patentee the propoſed compenſation in equal ſhares.

4. As to commercial eſtabliſhments, actually ſupported by means of permanent bounties or prohibitions;— when various corroborating commercial laws of unlimited duration, have permitted or encouraged any definite courſe of action, it is unjuſt to repeal theſe laws ſuddenly and without any compenſation, where they have occaſioned enterprizes of a durable nature. The ſtate by interfering reſpecting commerce, takes upon itſelf a

the ſimplicity of which beſpeaks its ſagacious author. "Before any law "can be made for raiſing a tax, the purpoſe for which it is to be raiſed, "ought to appear clearly to the legiſlature to be of more ſervice to the "community than the money would be if not collected; which being well "obſerved (it is added) taxes can never be a burthen."

The Engliſh laws afford inſtances of bounties paid out of ſpecific taxes; but they have been managed ſo as not to create the impreſſion in queſtion, the legiſlature not having this object in view.

certain

certain reſponſibility; and ſubjects would have little to revere in a legiſlature which profeſſed itſelf by nature verſatile and inſenſible of thoſe wrongs to which its interference had given birth. Taxes, which are by nature fluctuating, may be levied or remitted, and penal and many other laws may be altered; but commercial laws, reſpecting objects of ſlow and uncertain ſucceſs, require a permanent ſyſtem. The moment government legiſlates in commerce, it promiſes this permanency; or to ſay the leaſt, ſome degree of tenderneſs and conſideration when it deviates from it. Upon any other ſuppoſition the legiſlature "rains ſnares*" upon its ſubjects; and a new objection would hence ariſe to its interference in commerce.

CHAPTER V.

Of Commerce in Grain, Cattle, and Fodder.

I SHALL firſt ſpeak of what regards grain, which (of ſome kind or in ſome ſhape) is the chief food of the lower claſſes nearly in all countries, flouriſhes in all countries with little exception, varies its annual crops in

* Lord Bacon often uſes this expreſſion from ſcripture. — Commercial undertakings that are even brief or occaſional, require for various reaſons, to be treated with ſome delicacy when they have been prompted by laws; eſpecially as ſuccedaneums do not always occur capable of immediately employing the capital, talents, and other qualifications of the parties.

all, and is preſervable in all in perfection from one year to another. It is conſequently a commodity of the firſt magnitude; and the general intereſts of ſociety ſeem to require that it ſhould enjoy a free trade on two accounts:—Firſt, that by means of acceſs to the markets of all nations, the ſupply of grain to each may be kept as much without fluctuation in its quantity and price as poſſible; and next, that from the ſame beneficial acceſs to markets, conſtant motives may be given to extend and perfect the production of grain, for the better ſupport and increaſe of general population.—Theſe propoſitions ſeem ſo natural, that I ſhall not ſeek to make them clearer, farther than may be neceſſary in the following replies to objections.

1. As to the *precedents* which are uſually urged againſt the free commerce of grain, the examples of Poland and of the African and Italian ſtates ſeem only to prove that the exportation of grain is natural in fertile countries, where other exports are deficient; but not that ſuch exportation of grain is the *cauſe* of theſe countries wanting induſtry. America under different circumſtances, exports grain to her evident advantage; and Great Britain and Ireland are diſpoſed to favour its exportation by a bounty. On the other hand, Holland freely imports its grain; and is eſpecially likely ſo to do from countries that are magnificent enough to pay a bounty for the privilege of ſupplying her*.—If the world had hitherto been conducted

* "The bounty enables foreigners, the Dutch in particular, not only to "eat our corn cheaper than they could otherwiſe do, but ſometimes to eat "it cheaper than even our own people can do upon the ſame occaſions; "as we are aſſured by an excellent authority that of Sir Mathew Decker."
Smith's Wealth of Nations, B. IV. C. V.

happily,

happily, and peace and plenty had always prevailed in it, precedents would then deſerve great weight: but as experience tells us the reverſe, men are perhaps more likely to be happy by avoiding, than by copying ordinary examples; eſpecially when it is conſidered to what accidents and inſtruments theſe examples are commonly owing.

2. It is next objected to a free commerce in grain, that *reciprocity of ſupply* in caſe of need, is not poſſible for an exporting nation, eſpecially if it be numerous.—To this there are various anſwers. Such as, that facts prove the objection unfounded; becauſe large and populous countries (as for example France) have actually and ſeaſonably been ſupplied in time of need out of foreign markets, and have been able to pay the prices charged by foreigners. We may next obſerve that nature is rarely unpropitious to the ſame article in many diſperſed countries, in one and the ſame ſeaſon, eſpecially during ſucceeding years; the food of man has alſo more variety, and conſequently more reſources in it, than formerly; and there is not only more foreign commerce prevailing than heretofore, (as well with ſtrangers as by colonization) but alſo a greater degree of commerce in every ſtate internally. Hence it is that fewer deſtructive famines have happened in Europe in modern than in former times; and almoſt never in countries accuſtomed to make large exports of grain.—And with reſpect to the *magnitude* of a ſtate, we may add, that the more extenſive it is, the more is the probability of its comprehending in itſelf a variety of ſoils, ſeaſons, and kinds of food, ſo as to diminiſh the neceſſity of its ſeeking food abroad; provided only the portion of food which

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it poſſeſſes within itſelf, is ſuffered to be equally diffuſed within it.

3. But nations, it is ſaid, *had better pay foreigners with any thing than with food*, which is the baſis of population and of induſtry. The population here alluded to, it is to be obſerved, is that ariſing from artiſts. — And with reſpect to this difficulty, I muſt remark that keeping back corn to create and feed *artiſts* and their families, does not increaſe the certainty of ſubſiſtence occurring for *other* citizens; but on the contrary, in ſcarce years, the increaſe of number (in the ſame extent of territory) of thoſe who require artificial relief, tends to make the relief more difficult. — The remainder of the objection in queſtion it is hoped is in ſome degree anticipated by a former remark, that where agriculture is imperfect, it demands attention in preference to arts; as the mode of ſecuring the joint preſence of agriculture and of arts more rapidly than can be expected by other means. Grain cannot be had without nature; but arts and population will always follow circumſtances where the government is not defective.

4. Proprietors in populous countries, we are next told, have *motives enough* to raiſe corn, without having the leave of exporting it added. — Proprietors have certainly motives enough for what they do; but they would certainly do more with more motives. When England, France, and other countries increaſe the cultivation of grain, in conſequence of increaſed opportunities of exportation, it proves how much actual may differ from hypothetical motives.—If it is conceived that exportation is an *uſeleſs* encouragement to cultivation, on account of the goodneſs of home prices; let it be replied, that nothing can be

more

more uſeleſs than laws to prevent exportation, where exportation naturally can never be practiſed. — In ſhort, vent, or in other words, ſelling well, is much more operative as an incentive to production, than a ſlowly increaſing population; as markets will grow up much faſter than ſupernumerary reſidents or children. And ſince when agriculture is properly eſtabliſhed, ſubſiſtence will naturally occaſion marriages and children, the motives to the production of grain (as has formerly been obſerved,) will in ſuch caſe become doubled.

5. But if ports are opened, the *competition of foreign purchaſers*, it is ſaid will become detrimental. — If natives however have the advantage of being at the ſpot of growth, to enable their buying grain at the earlieſt moment and at the firſt hand, out of a ſuperabundant produce, without charges of tranſport added, it is all they ſhould expect. Whenever, in order to reduce prices, they check the exportation, they check at the ſame time time the production of grain. And when production is checked, ſcarcity is endangered; and foreign grain muſt then be purchaſed in time of ſcarcity, not only amidſt foreign competition, but burthened with various tranſit charges.

6. But a *ſurplus of grain inſured at home*, it is thought will prevent ſcarcity, and keep down prices. — With all deference I cannot conceive that any cultivator will propoſe to raiſe any ſurplus; that is, a quantity that will exceed demand. The cultivator is not a patriot by profeſſion, but has profit for his object and will raiſe grain while it ſells well; and when it ceaſes to ſell well, or

other

other articles ſell better, he will raiſe other articles. Neither landlord nor farmer can afford that ſort of benevolence which implies their own impoveriſhment in order to feed a nation. — The only *ſurplus* that can be expected therefore from the cultivator is an *incidental* one. If the cultivator then is allowed to aim at more than the home-market, he will always have enough for the home-market; and the home-vent, at equal prices, will always neceſſarily be preferred by him to a foreign one.

The ſuppoſition, that the export of grain *varies the relations of value in ſeveral important articles in an unfavorable manner*, ſeems improperly urged while theſe variations are (what they ought to be) *gradual.* —— If the *cultivator* for example by increaſing his wealth nominally raiſes prices in a country, the ſovereign ought to call for more contribution from the land, (the beſt ſource of taxes) to reſtore the public revenue to its old proportions. *Wages* and ſalaries not depending upon permanent contracts, will naturally riſe, in ſuch a ſituation, to a new correſpondence with the natural claims of the parties. And if incomes conſiſting of fixed ſums of money, ſink in value, it is to be remembered, that it is what has happened in every proſpering country, and what for the general good muſt neceſſarily be ſubmitted to. — In the mean time, where wealth increaſes, an alteration as to concerns without the country takes place, that is highly beneficial. The change of wealth within it, gives it a power of entering into competition for raw materials abroad; and the ſervices of foreigners, their manufactures, their neceſſaries, all become obedient to the power of its money. — It is true, the riſe of prices at home renders the labor of artiſts nominally dearer; but this being accompanied with in-

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creaſe of capital and of machinery, and with other facilities attending an accumulation of occupations; though it may injure ſome manufactures, compenſates for itſelf in much the greater number (as England and Holland have found by memorable examples*.) — So much for the objection concerning the variations expected to be introduced in values.

8. Doubts having been ſtated, that *foreign markets for the ſale of grain are precarious*, I can only ſay, that this ſeems rather an object of attention to the cultivator than to the public. — The cultivator will not raiſe nor yet export grain at a loſs; nor will he omit any profitable ſale at home. If there is any evil therefore in the export trade of grain, time may be confided in for its correction. — But as grain is an article of prime neceſſity, of which the growth is meant to be annually proportioned to its vent, and as grain has uſually occaſional deficiencies in its crops in ſome country or other; its favorable ſale is to be preſumed upon, as much as that of any other commodity, eſpecially as it is on the whole leſs periſhable than many others.

9. But the free exportation of grain it is ſaid may often tend to produce *tumult*. — The apprehenſions of theoriſts have probably conſiderably confirmed the alarms of the people, reſpecting the exportation of grain. Since however it is found in England, that the occaſions and the

* There ſeems ſome juſtice even in the farther opinion; that as long as foreigners will purchaſe certain articles, notwithſtanding their dearneſs, the higher is the price which the native puts upon theſe, the more will be his country's gain; and when a competition at laſt ariſes which his exertions cannot overcome, that the reduction of prices will naturally ſerve for a laſt reſort.

diſpoſitions for tumult in many inſtances gradually give way to the force of reaſon, and the evidence of improvement; why may they not do ſo every where in the preſent inſtance? And if freedom reſpecting the commerce in grain produces the wiſhed-for increaſe of the commodity itſelf, or of the means of purchaſing it; this muſt ſurely in time have its influence upon the public opinion. — But in order to perfect the commerce of grain it muſt always be remembered, that not only roads and canals ought to be improved and the barriers to internal trade aboliſhed, for the purpoſe of completing the diffuſion of the home crops; but that accurate intelligence reſpecting crops at home and abroad, ſhould always be thoroughly circulated; that intercourſe with foreign merchants muſt be extended; that the conſervation of grain alſo from ſeaſon to ſeaſon, by ſpeculators and by other means, muſt be well obſerved; and that the capricious and ſenſeleſs prejudices of the commonalty, reſpecting articles of food that might occaſionally ſerve to ſupply the want of grain, muſt be gradually overcome. — In the time of actual tumult alſo the public authority ſhould in any event protect individuals and where it is diſcreet, maintain the law; for while on the one hand, even juſtice and reaſon are not to be raſhly and abruptly ſupported, ſtill government at proper moments ſhould be capable of firmneſs. And if after all we are to bow to opinion, let it fairly be ſtated ſo; that inferences from a caſe of compulſion may not be drawn to affect the other parts of commerce. — But until this neceſſity for yielding (ſo diſgraceful to man and to his teachers and rulers) ſhall be made evident, let better things be hoped for and attempted; and let the introduction

troduction of good ſenſe reſpecting our ſubſiſtence be held as a debt to mankind, for the diſcharge of which every one is bound according to his talent and opportunities.

10. The *operations of merchants* in the commerce of grain, have been repreſented as detrimental, with little reaſon. — Their operations do not increaſe the expences on this article*; as farmers in the abſence of merchants muſt undertake and be paid for the ſame ſort of employment, at a much higher rate; beſides having their attention and capital withdrawn from their proper and more important object of cultivation†, (in which we are all ſo deeply intereſted.)

* The expences attending the conveyance of grain from the place of its growth to that of its conſumption and of ſtoring grain and the like, taking one year with another, muſt be paid for by the public, as being indiſpenſable. The ſpeculator, inſtead of increaſing, diminiſhes theſe expences, by the largeneſs of the ſcale of his proceedings; which admits of his employing ſyſtem in conducting them. — *Other* expences attending the *needleſs* charge of ownerſhip in grain (ſuch as brokerage, commiſſion, and the like) are of a different nature; and being neither indiſpenſable nor univerſal, may or may not be reimburſed; for the ſpeculator incurs theſe from an expectation of repayment from the riſe of *value* in the commodity, and not from any ſenſe of compenſation being due to him from the public: (As proof of which, we may obſerve that the original cultivator of grain, who ſhall on theſe occaſions have kept his grain in hand, may profit by its riſe, as well as the buſy ſpeculator.) — I may add that theſe ſpeculating expences to perſons in the habit of engaging in them in a large way, are leſs than may be imagined, eſpecially as they chiefly conſiſt of the ſpeculator's own trouble.

† 'Jack of all trades will never be rich, ſays the proverb.' 'The law 'which obliged the farmer to exerciſe the trade of a corn merchant, ob-'ſtructed not only that diviſion in the employment of ſtock which is ſo 'advantageous to every ſociety, but it obſtructed likewiſe the improvement 'and cultivation of the land. By obliging the former to carry on two trades 'inſtead of one, it forced him to divide his capital into two parts, of which 'one only could be employed in cultivation. But if he had been at liberty

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In ſhort when occupations are in a certain manner ſubdivided, and then conducted by traders with large capitals, experience ſhews that comparative perfection and cheapneſs are the uſual reſult. — As to the ſuppoſition, that the buyers of grain ſtand under natural diſadvantages, as the motives for buying grain are always more imperious than thoſe for ſelling it, this ſuppoſition not only overlooks that the ſeller has *his* neceſſaries depending on the completion of the bargain, as much as the buyer; but likewiſe, that the ſellers (whatever may be their deſcription) are numerous enough to furniſh the certainty of ſome competition in favor of the buyer*. Moreover whenever the price of grain

'to ſell his whole crop to a corn merchant, as faſt as he could threſh it out, 'his whole capital might have returned immediately to the land and have 'been employed in buying more cattle and hiring more ſervants, in order 'to improve and cultivate it better. But by being obliged to ſell his corn 'by retail, he was obliged to keep a great part of his capital in his granaries 'and ſtack-yard through the year, and could not therefore cultivate ſo well, 'as with the ſame capital he might otherwiſe have done. This law there-'fore neceſſarily obſtructed the improvement of the land, and inſtead of 'tending to render corn cheaper, muſt have tended to render it ſcarcer and 'therefore dearer, than it would otherwiſe have been.'

'An intercourſe eſtabliſhed between the farmers and corn merchants, would 'be attended with [other] effects beneficial to the farmers.' 'In caſe of any 'of thoſe accidents to which no trade is more liable than theirs, they would 'find in their ordinary cuſtomer, the wealthy corn-merchant, a perſon who 'had both an intereſt to ſupport them and the ability to do it; and they 'would not as at preſent, be entirely dependent upon the forbearance of their 'landlord or the mercy of his ſteward. Were it poſſible (as perhaps it is not) 'to eſtabliſh this intercourſe univerſally and all at once,' 'it is not perhaps 'very eaſy to imagine how great, how extenſive, and how ſudden would be 'the improvement which this change of circumſtances would alone produce 'upon the whole face of the country.' *Smith's Wealth of Nations.* B. 4, c. 5.

* It is not without its weight that the conſumer buys for the day, and that the grower has to ſell at once more or leſs of the produce of the year.

grain exceeds the means of purchaſe of the poor, the ſeller's principal market vaniſhes‡. The ſeller alſo has to apprehend the conſequences of the public odium, the fury of the populace, the interference of government, the meaſures of competitors, and the poſſible abundance of a future harveſt, together with the riſque of keeping what is ultimately a periſhable article†, and the certain attendant expences; all of which therefore are motives that ſtrongly perſuade him to an early ſale. The monopoly therefore of an article that is ſo univerſal and extenſive, and that is alſo ſo precarious and ultimately ſo periſhable as grain, is peculiarly difficult; and to form this monopoly in a metropolis or in a kingdom, it is not enough to poſſeſs

‡ The poor conſume much more grain than the rich; not only as the rich mix various other articles of food with it, but as the number of the rich is much ſmaller than that of the poor. — Sir James Steuart who follows the example of Sir William Temple in comparing the different claſſes of ſociety to a pyramid, which is largeſt at its baſe, and diminiſhes as it aſcends; ſays in another place 'that the proportion of wealth found in the hands of the 'loweſt claſs of the people, conſtantly regulates the price of grain; conſe-'quently let the rich be ever ſo wealthy, the price of ſubſiſtence can never 'riſe above the faculties of the poor.' An *Inquiry* into the principles of Political Oeconomy, B. 2, c. 28.

† The retailers of cheap and fluctuating commodities, who are accuſtomed to large profits, may ſometimes deſtroy a part of what they poſſeſs, to give a ſuperior value to the remainder. The Dutch alſo deſtroy ſpices and the Portugueſe ſuppreſs their plenty of Brazil diamonds; but theſe are ſpontaneous or accidental articles in the hands of great powers, and not articles raiſed by annual expence and labor and veſted in the hands of many petty individuals. But I believe we may conſider it as a maxim verified by experience, that wholeſale traders in a commodity ſo expenſively and generally raiſed as grain, have never been detected in this barbarous and wild expedient, though (contrary to their wiſh) their grain may ſometimes inadvertently have periſhed on their hands.

the quantity adequate to the ſupply of theſe vaſt objects, but alſo to poſſeſs whatever quantity others can introduce in *competition* with that ſupply. — But were theſe things otherwiſe, will the ſuppoſed diſparity of motives alluded to between buyer and ſeller ceaſe, upon merchants ceaſing to intervene between buyer and ſeller? If the advantages of capital and credit are ſo much on the ſide of the merchant, will not the merchant rather be able to buy cheaper of the grower than others, and conſequently be able to ſell cheaper to the conſumer? — As to all merchants having a propenſity to monopoly; I muſt obſerve that merchants are much more diſpoſed to undermine each other, than to combine with each other; and that if they were even diſpoſed to combinations, a free trade would ſoon put an end to theſe, ſince it is chimerical to ſuppoſe that ſuch follies can extend to foreign merchants who would have oppoſite intereſts reſpecting grain. In any event however ſince cultivators are equally diſpoſed to gain with merchants, if merchants were ſet aſide, cultivators‡ would naturally adopt a part of the plans of merchants. — In ſhort inſtead of miſchief it appears demonſtrable that traders in grain are the authors of good; particularly in fruitful years, by retaining‖ a part of the then prevailing plenty to aid future deficient harveſts; and in ſcarce years, by fixing ſuch a price on the ſmall quantity of grain produced or poſſeſſed, as ſhall occaſion a general

‡ Or elſe millers, bakers, or others who are concerned in grain, and whoſe profeſſions while they are indiſpenſible to the public are clearly ſuſceptible of plans of ſpeculation.

‖ Merchants preſerve grain in general in more perfection than the grower.

general frugality in its conſumption†. By their extenſive intelligence alſo reſpecting the ſtate of crops and of demands in different parts, and by their capital or credit, merchants are enabled to reduce the ſupply, not only of each year, but of each country, nearer and nearer to a determinate and

† 'It is the intereſt of the people that their daily, weekly, and monthly 'conſumption, ſhould be proportioned as exactly as poſſible to the ſupply 'of the ſeaſon. The intereſt of the dealer in corn is the ſame. By ſupply-'ing them as nearly as he can judge in this proportion, he is likely to ſell 'his corn for the higheſt price and in the greateſt quantity.' 'By raiſing the 'price he diſcourages conſumption, and puts every body more or leſs upon 'thrift and good management. If by raiſing prices too high, he diſcourages 'the conſumption ſo much, that the ſupply of the ſeaſon is likely to go 'beyond the conſumption of the ſeaſon, and to laſt for ſome time after the 'next crop begins to come in; he runs the hazard not only of loſing a 'conſiderable part of his corn by natural cauſes, but of being obliged to ſell 'what remains of it for much leſs than he might have had for it ſeveral 'months before.' 'When the prudent maſter of a veſſel foreſees that proviſions 'are likely to run ſhort, he puts his crew upon ſhort allowance: though from 'exceſs of caution he ſhould do this without any real neceſſity, yet all the 'inconveniences which his crew can thereby ſuffer are inconſiderable, in com-'pariſon of the danger, miſery, and ruin, to which they might ſometimes 'be expoſed by a leſs provident conduct.'

'When the government in order to remedy the inconveniences of a dearth, 'orders all the dealers to ſell their corn at what it ſuppoſes a reaſonable price, 'it either hinders them from bringing it to market (which may ſometimes 'produce a famine even in the beginning of the ſeaſon;) or if they bring it 'thither, it enables the people and thereby encourages them, to conſume 'it ſo faſt, as muſt neceſſarily produce a famine before the end of the ſeaſon. 'The unlimited unreſtrained freedom of the corn-trade, as it is the only 'effectual preventative of the miſeries of a famine, ſo it is the beſt palliative 'of the inconveniences of a dearth; for the inconveniences of a real ſcarcity 'cannot be remedied, they can only be palliated. No trade deſerves more 'the full protection of the law; and no trade requires it ſo much, becauſe 'no trade is ſo much expoſed to popular odium.' *Smith's Wealth of Nations.* B. 4, c. 5.

known

known average; and to provide the beſt and quickeſt poſſible remedy to ſcarcity, whether natural or artificial, wherever it occurs. In ſhort, ſince it is their conſtant aim to collect grain at the cheapeſt time and to ſell it at the deareſt, this alone is beneficial to the public, were they of no uſe in increaſing the quantity of grain that is produced*. — So much reſpecting merchants.

11. *Force reſpecting the commerce of grain*, if at any time neceſſary, becomes ſo in conſequence of unwiſe reſtraints ſubſiſting in *other* parts of the public ſyſtem; and whenever employed, is eaſily evaded by an abandonment either of the cultivation or of the commerce of grain. But if it be wiſe to direct the diſpoſal of grain when produced, it is wiſe (if practicable) to force the cultivator to produce it. — To complete however the ſyſtem of force in this particular, would not only exceed the uſual limits of deſpotiſm itſelf, but prove a vain labor; ſince tyranny the moſt ſubtle and extenſive, by alike debaſing thoſe who exerciſe

* If the freedom of the commerce of grain is injurious to the cultivator by depriving him of the relief of ſelling his grain dear when his harveſt is ſhort; it muſt be obſerved alſo that the cultivator in a plentiful harveſt, in conſequence of this ſame freedom ſells his ſuperabundant grain at an improved price; and that the profit thus obtained upon a larger quantity of grain may compenſate for the loſs ſuſtained upon a ſmaller one. Beſides, when cultivators contract to furniſh merchants and others with certain ſupplies of grain, at certain prices, for a term of years; they voluntarily put themſelves into the poſition alluded to, and prove how little it is to be complained of.—Speculators in ſhort imitate the part of commerce; they provide for futurity, as commerce provides for numbers at the moment; both of them tending to equalize ſupplies and prices: And if the cultivator ſhould even ſuffer from this in one way, he is benefited by it in a multitude of others; and in any event ought to ſubmit to the general intereſt in a caſe where he has no pretext for a diſtinction.

and

and thoſe who ſuffer it, is always found a leſs productive reſource than ſpontaneous induſtry.

12. Let us next then conſider the propriety of a *permanent bounty on the exportation of grain*. — But I muſt here premiſe that no concluſion (either poſitive or negative) can be drawn from the ſuppoſed favorable influence of this bounty in Great Britain; ſince France is underſtood to have exhibited ſimilar events reſpecting grain with Great Britain, under a directly oppoſite ſyſtem*. —— To ſpeak therefore upon principles of common ſenſe, we muſt decide that the firſt operation of a bounty on exportation, with reſpect to *foreigners*, is to enable them to ſubſiſt more cheaply and plentifully than before, and to rival the natives†

* 'It has been obſerved to have taken place in *France* during the ſame 'period, and nearly in the ſame proportion too, by three very faithful, dili-'gent and laborious collectors of the prices of corn; Mr. Dupré de St. Maur, 'Mr. Meſſance, and the author of the Eſſay on the Police of Grain. But, 'in France till 1764, the exportation of grain was by law prohibited; and 'it is ſomewhat difficult to ſuppoſe, that nearly the ſame diminution of 'price which took place in one country notwithſtanding this prohibition, 'ſhould in another be owing to the extraordinary encouragement given to the 'exportation.' *Smith's Wealth of Nations.* B. 1, c. 11. M. Neckar in his Treatiſe on the Legiſlation of Grain confirms the general facts in queſtion reſpecting France.—'A ſimilar decreaſe in the price of corn is obſervable 'in the public fairs of all the markets of Scotland.' *Smith's Wealth of Nations, as above.*

This decreaſe in the market rate of corn would furniſh an excellent ſubject for a *Prize Diſſertation*; if ſufficient time were allowed to admit a proper inquiry into facts.

† 'There are many examples of England's being ſupplied with grain 'from Holland; and which is ſtill more extraordinary, from the re-expor-'tation of the very produce of its own fruitful ſoil.' Sir James Steuart's Inquiry into the Principles of Political Oeconomy. Book 2, c. 9. — See alſo above p. 84.

whoſe grain they conſume, more eaſily (at their own expence) not only in navigation and trade, but in other particulars: And whether the continuance of the bounty for a courſe of time, increaſes the population or leſſens the crops of grain, of foreigners, ſubſiſtence at home in neither mode can thence immediately be benefited.—With reſpect to *natives*, the bounty on exportation at firſt diminiſhes the ſtock of grain for home ſupply; and by draining the country in abundant years, conſtantly leſſens the quantity of native grain retained at home for the ſupply of deficient years. Inſtead of reducing prices for the natives, it encourages the cultivator to export his grain to foreign markets, until the ſcarcity at home ſhall render the home price equal to the compounded amount of the foreign price and of the bounty (after deducting from the latter only the charges of tranſport *.) The bounty nevertheleſs though operating as a public burthen (directly ſo by the premium paid on exportation, and indirectly by raiſing prices on the native home conſumption;) is not of a magnitude to compenſate to the cultivator for bad markets; and conſequently the bounty will not excite the cultivator to any very material increaſe in the production of grain beyond the natural demand. — Is it the *cultivator* then that is to be benefited by the bounty? Perhaps the cultivator is not aware of all the diſadvantages that accompany the bounty, in the mode in which it is uſually granted. If, for example, at the moments when he is allowed to export grain, he ſells his grain at higher

* It may be leſs chargeable to ſend grain to a near foreign market than to a diſtant native one.

prices

prices than is natural; yet he is generally forbid to export grain at other moments when he might obtain ſtill higher prices. If his prices riſe at home by means of the bounty, the prices of labor and of other articles are ſoon raiſed upon him in return*. If he receives the amount of a tax, he (as the proprietor of the land,) is ultimately the great contributor to the tax. In conſequence alſo of the charges of management, and perhaps of frauds, the whole tax levied is never fairly expended in bounties on native grain: and all the bounty that is received, is not received by the cultivator only, but often by the merchant ſolely. If the cultivator alſo has other land beſides that employed in raiſing grain, he pays the tax for that other land though not directly benefited by the bounty, (ſome cultivators paying largely to the tax, without raiſing any grain whatever.) Moreover, while the bounty in queſtion remains as a precedent, it becomes difficult for the cultivator to reſiſt the claims of various traders for ſimilar bounties. And in any event, the intereſt of the cultivator of grain muſt always be weighed in conjunction with thoſe of the reſt of the community; ſince it is not every country where wealth is territorial; or every country whoſe territory and markets together are particularly ſuited for grain. — In ſhort, the ſcheme of a bounty on exported grain, in countries where the monopoly ſyſtem is eſtabliſhed, ſeems to include ſtriking contradictions. Burthens are laid on the ſubject to diſburthen the ſubject; a project, operating by raiſing prices, is ſet on foot to reduce prices; an artificial ſcarcity is made by exportation in order to produce plenty; the plenty

* The alteration in the relative values of labor, &c. and of grain that will have been introduced by ſuch a bounty, will alone prove the neceſſity of aboliſhing the bounty by ſlow degrees where it is of long ſtanding.

that might ſpring from an importation* permitted on correſponding terms, is rejected; and while one bounty affects to conſider a mere phyſical ſubſiſtence as alone of value, other bounties (joined to prohibitions) encourage in other reſpects a variety of expenſive markets and of ſuperfluous conſumptions. — But if it is wiſe to prefer grain to other eſculent vegetables, and to neglect other articles derived from the ſoil (which on oppoſite principles are oftener the objects of taxes than of bounties;) the bounty propoſed by ſeveral on the *production* of grain, ſeems far more eligible than the bounty on its exportation. A moderate bounty on production would tend for example to increaſe plenty within the national circle, thus reducing inſtead of raiſing prices; and after being judiciouſly and ſucceſſively applied to certain limited caſes in order to put things in motion at a ſmall expence, might after a certain time be finally relinquiſhed †.

13. With reſpect to other *particular regulations* of the commerce of grain, many have been propoſed; and

* The free importation of grain is indiſpenſable to the *increaſe* (if not to the ſubſiſtence) of a people; and where a *people* increaſe, lands will riſe, taxes will ſit lighter, the country become more defenſible, and the arts improve, eſpecially when in connection with a reduced price of food. If the United Provinces and other maritime republics had been reſtricted to their own ſupply of grain, could their people have multiplied as at preſent, or could their little territory have yielded ſuch enormous land rents? What a miſtake, to ſuppoſe that no production is valuable but grain, when ſo little of it is ſeen growing in a country ſo much cultivated and ſo productive as Holland! — No maritime ſtate can be expoſed to famine by a liberal policy in this particular; nor could any inland territory ſuffer from it that had enlightened neighbors.

† A bounty given on the *conſumption* of grain would ſeem a ſingular expedient: yet a bounty on its exportation amounts to a payment made on *foreign* conſumption.—Where is the perſon who would not complain if his poors-rate were charged with the expence of a bounty on the conſumption even of the *native poor*; and much more then upon that of *foreign* poor!

if

if any were adviſable, it would be eaſy to ſuggeſt others. But of all regulations, liberty appears the beſt; for though liberty may have ſome inconveniences, they are leſs than thoſe of bad laws, (the intricacies and abuſes of which are aſtoniſhing, in proportion as we leave the path of nature.)—Let us then be contented with the aſſurance that the earth taken altogether is always competent to feed itſelf; and that the greater is the number of its nations agreeing to traffic freely with each other in grain, the better will the annual ſupply offering for each be reduced to a certain average; and the leſs will be the inconvenience from ſome countries buying out of the common ſtock when they are in want, and never increaſing that common ſtock by ſelling to it when poſſeſſing plenty. — We now quit the ſubject of grain, which has been diffuſely treated not only on account of its importance, but of the weight of prejudice, and I may add of authority * appearing on the ſide oppoſite to that here eſpouſed.

CATTLE and FODDER ſeem liable to nothing that ſhould except them from the general ſyſtem of commercial liberty.

As to *cattle* they can ſcarcely be conſidered as a local † commodity, either in a natural or political view. The

* I moſt particularly refer to that of the celebrated M. Necker, whoſe treatiſe on the Legiſlation of Grain, and whoſe prize eulogium upon M. Colbert contain without any compariſon the ableſt defences of the ſyſtem of reſtrictions and regulations for trade, of any that have been publiſhed in the preſent age.

† That is, confined to one ſpot in point of production and circulation.

breeding,

breeding, uſing, fattening and conſuming countries for cattle, may all happen to be different; and in frontier places, a foreign may be much nearer than a home market, both for the ſale and purchaſe of cattle. Beſides, while cattle are alive, as they carry their own burthen, they travel to great diſtances for little coſt; and when they are ſlaughtered, their hides, tallow, and other offals, and their fleſh when ſalted, being eaſily preſerved, obtain a wide diffuſion by means of carriage, as do the cheeſe and butter obtained from them, at all times. Theſe circumſtances ſhew how much one diſtrict may have it in its power to accommodate itſelf to other diſtricts, by adopting or by omitting according to the caſe, one or other branch of what reſpects cattle. — Cattle in ſhort are too valuable by their labour, their manure, the various ſuſtenance they yield, as well as by their various integuments, &c. not to make it important to mankind to have them on the eaſieſt poſſible terms, and in the mode alſo that ſhall ſubject conſumers and producers to as little inconvenience and loſs as can be accompliſhed for each claſs mutually.

Fodder ſhould follow the principles proper for cattle, and I may add for grain (ſome of the ſpecies of which it includes;) eſpecially as fodder in general improves by keeping.

I know but of two objections.—The firſt, that the bulk and weight of fodder compared with its little value, render it *particularly local*. But ſo much of this objection as is true, may eaſily be leſſened by navigation, good roads, improved agriculture, and mechanical and other contri-

vances.

vances *. — The ſecond objection to a free commerce in fodder to which I allude is, that, ſince the ſcarcity of fodder endangers the *deſtruction or the precipitate ſale of cattle*; no country poſſeſſing fodder ſhould part with it to other countries, incapable of returning ſimilar aſſiſtance. To this I anſwer, that it is doubtful whether any countries poſſeſſing much cattle, are likely to be deſtitute of a fund of native or elſe of foreign fodder, capable of ſerving occaſionally as a reſource to other countries. But in any event the beſt meaſure to prevent a nation being brought into danger of want at home, is to induce it to undertake the ſupply of a foreign market; which would quickly encourage the growth of a large ſtock. If foreigners indeed ſhall refuſe to admit fodder, except when their own ſupplies ſhall have failed them; negotiations ſhould be ſet on foot to remove this difficulty, as being a flagrant injury to the common intereſt. In the worſt event, the competition of foreign purchaſers can never take ſo much out of the home market, as of itſelf to make a dearth at home; ſince the increaſe of home prices would in ſuch caſe (the great expence of the tranſit of fodder conſidered) ſoon ſtop their purchaſes, or make it preferable to feed cattle with corn, or elſe ſtimulate each party to the ſearch of other reſources. A perfect freedom in the commercial ſyſtem would even render it eligible for the moſt deſtitute country to ſell its cattle on cheap terms to the leaſt deſti-

* I mean ſuch contrivances as that of preſſing hay, by which it may be reduced into leſs than half its uſual ſize. Perhaps the arts of chemiſtry may hereafter be applied to render ſome articles of food more portable for cattle, as ſome have lately been more portable for man. Subſtances analogous to oil-cakes may be multiplied.—In ſhort, the ingenuity of man applied to this moſt important ſubject would ſoon inſure conſiderable ſucceſs.

tute;

tute; which being attended with opportunities of re-purchaſing, would be of conſiderable mutual advantage.—I muſt add that accounts of the ſtate of the markets for fodder, made out upon fair principles, and publiſhed weekly, with an inviolable regard to truth *, would ſoon circulate ſufficient intelligence to encourage the appearance of moderate ſupplies from various quarters in caſe of want, and ſuggeſt the quick preparation of further ſupplies in caſe the diſtreſs ſhould be likely to continue.

On the whole, whatever reſpects the ſuſtenance of man or of cattle, ſeems to ſtand apart from the common rules of commerce. In ſeeking national opulence, we muſt not entirely loſe the idea of men being of one race, and of men and animals and the great globe itſelf belonging to the common Creator of them all. It is here then, if any where, that we muſt avail ourſelves of that mutual aid which nature has provided for man, when ſhe allows different places abounding in different commodities and different wants, to have the means of a mutual intercourſe. †

* Falſehood here would be a ſort of treaſon againſt the creation; but falſe intelligence would deceive only once, and would afterwards amount to no intelligence at all.

† I have not vindicated the freedom due to *internal* commerce in grain, cattle and fodder, it is becauſe I conceive no debate can remain reſpecting it. The good of the whole being the object of a legiſlature, every ſubject ſhould be made to ſtand on a common baſis. — If in endeavoring to ſubſiſt ſubjects on the cheapeſt terms, merchants have opportunities of enriching themſelves, we muſt remember that their peculations are allowed upon much leſs warrantable occaſions, (viz. in the ſhape of companies, corporations, and monopoliſts.)

P. S.

P. S. However reasonable general principles may appear, it is always proper if possible, to verify them by facts. I have searched for such facts on the subject of the commerce in grain, but by no means with sufficient success. Such as I have found stated, have seemed to accord with general principles: but if they are objected to as insufficient, since they are obtained from some of the best authors, they will at least more and more prove the imperfection of modern commercial documents, and more and more shew the necessity of some measures being taken respecting them. It is with these several views and from a sense of the necessity of the sustenance of mankind being placed upon a solid basis, that I have supposed it may be useful, to assemble in the form of a postscript, a few miscellaneous positions and reasonings upon the subject of grain, without pretending to be answerable for the accuracy of any one of them; and I hope to be forgiven if I intersperse a few remarks.

1. 'Nothing is more common (says Sir *James Steuart*) than to hear that 'an abundant crop [in England] furnishes more than three years subsistence: 'nay I have found it advanced by an author of consideration, that a 'plentiful year affords five years nourishment for the inhabitants.' 'I am 'on the contrary apt to believe, that no annual produce ever was so great 'in England, as to supply its inhabitants fifteen months, *in that abundance 'with which they feed themselves in a year of plenty.*' 'On the other 'hand I am inclined to suppose, that there never was a year of such scarcity, 'as that the lands of England did not produce greatly above six months 'subsistence, *such as the people are used to take in years of scarcity.*' 'It 'is far from being true, that the same number of people consume always 'the same quantity of food. In years of plenty every one is well fed; the 'price of the lowest industry can procure subsistence sufficient to bear a di- 'vision; food is not so frugally managed; a quantity of animals are fatted 'for use; all sorts of cattle are kept in good heart; and people drink more 'largely, because all is cheap. A year of scarcity comes, the people are 'ill fed, and when the lower classes come to divide with their children, the 'portions are brought to be very small; there is a great œconomy upon 'consumptions; few animals are fatted for use; cattle look miserably; and 'a poor man cannot indulge himself with a cup of generous ale. Add to 'all these circumstances, that in England the produce of pasture is very 'considerable, and it commonly happens that a bad year for grain which 'proceeds from rains, is for the same reason a good year for pasture; and in 'the estimation of a crop every circumstance must be allowed to enter.' (*Inquiry into the Principles of Political Oeconomy.* Book I. C. XVII.)—The author

of the *Three Tracts on the Corn Trade and Corn Laws* reaſons much in the ſame manner; and adds, 'we had ten as good years as ever were known in 'ſucceſſion from 1741 to 1751; nay if the common opinion is right we 'had ſixteen. But where was the corn ſeen in 1751?' (P. 19 and 20, 2d Ed. 1766.) The author intimates that granaries are not to be met with to hold the quantities of ſuperabundant grain which are ſometimes ſuppoſed to exiſt. (Ib. p. 20, 21.)—Perhaps it is right to ſuggeſt here, that the deficiency of bad years is in ſome degree ſupplied by more land being ſown with grain againſt the following ſeaſon; and that the reverſe is done in years of abundance.

2. In this country we have two peculiar reſources in caſe of ſcarcity in grain, not common to wine countries; viz. the power of checking large breweries and diſtilleries; to ſay nothing of the making of ſtarch, &c. The ſtatements exhibited in the oppoſite tables and ſelected from the *Three Tracts* &c. above mentioned (p. 18, 140, 114, 118, 126, 131, and 144 reſpectively) may be conſulted on this and various *other* branches of our ſubject.

3. Seed corn in England is ſaid to be one *tenth*, and in France one *ſixth* of the total growth; a remarkable difference in favor of England or of Engliſh agriculture. (See the *Three Tracts* &c. p. 144 compared with p. 228.)

4. The following paſſage reſpects the impracticability of combinations reſpecting the commerce in grain.—'Though ſome few concerned in the ex-'port may have larger dealings, yet he is reckoned no ſmall trader, who 'returns one hundred quarters weekly; and multitudes do not return forty 'quarters in that time. At the ſame time let us reflect on the number of 'perſons who muſt be employed in the corn trade; to which may be added 'the farmers and growers, who probably are ten times more in number 'than the others; and it may then be eaſy to judge, how far it may be 'likely they ſhould all combine to inhance the price, more than the ſmallneſs 'of the quantity may require; as the leaſt of them all in ſuch caſes, who 'ſhould ſell through fear, neceſſity, or inclination, would break the knot. 'It is true, an *opinion* or prepoſſeſſion that things are ſcarce, may ſome-'times accidentally run through the body, and raiſe the price; but nothing 'but a real ſcarcity can *ſupport* it.' (See the *Three Tracts* &c. p. 19.)

5. 'Mr. King (as quoted by Dr. Davenant,) tells us, that one tenth of 'defect in the harveſt will raiſe the price of corn about *three tenths* above 'the common rate; that two tenths of defect will advance the price *eight* '*tenths*; and three tenths deficiency will advance it about one 6-10ths, (or

ſixteen

TABLE to be placed opposite to p. 106.

	Quarters	£.	s.	d.
Bread Corn	6,000,000 at 30s.	9,000,000	0	0
Corn made into Drink	3,000,000 at 20s.	3,000,000	0	0
Oats, &c. for Cattle and Poultry	3,000,000 at 16s.	2,400,000	0	0
Total of the Home Consumption, Value		£. 14,400,000	0	0
Add the Value of 1-16th thereof for the Export		£. 900,000	0	0
Total Value of Corn consumed and exported		£. 15,300,000	0	0

Suppose the Money returned 4 Times a Year, 1-4th is £. 3,825,000 0 0

3,750,000 } of the people in England and Wales
730,000 } consume in *bread* annually, each
888,000 } respectively
623,000 }

Wheat	1 0
Barley	1 3
Rye	1 1
Oats	2 7

Besides that which is made into bread, there is reason to suppose the following quantities of the above and other sorts of grain are annually expended in *other* uses.

Qrs.
90,000 Wheat distilled and made Starch, &c.
3,300,000 Barley in Beer.
117,000 ditto, other Uses.
2,461,500 Oats, Horses, Soup, &c.
31,000 Rye, Tanners and Hogs.
90,000 Beans and Peafe, for Negroes, Horses and Hogs.
134,000 Peafe for Sailors and Soup.
90,000 Rape and other feed, for Oil.

And this, exclusive of the several sorts of garden seeds and pulse ate green, of which we could form no idea.

Average of the Quantity of each Species of Grain annually exported; *and the* Price *of the middle Quarter thereof.*

Quantity.

Years. from	to	Barley. qrs.	b.	Malt. qrs.	b.	Oatmeal qrs.	lb.	Rye qrs.	lb.	Wheat qrs.	b.
1697	1706	27,965	½	69,260	5	223	7	26,554	0	61,429	6
1706	1726	21,661	½	219,060	3	596	0	39,480	7	125,910	5
1726	1746	29,504	-	193,566	5	2,296	5	26,001	0	223,066	7
1746	1765	66,741	½	251,437	0	3,536	1	49,451	5	357,895	5
1697	1765	37,398	½	200,782	1	1,868	4	36,591	2	210,771	-

Price.

from	to	Barley.			Malt.			Oats.			Rye.			Wheat.		
1697	1706	0	16	6	1	0	1	0	12	4½	1	4	2	1	16	3
1706	1726	0	18	8	1	2	3	0	14	0	1	3	7	1	15	4
1726	1746	0	17	9	1	1	4	0	13	3½	0	19	11	1	9	10
1746	1765	0	18	3	1	1	10	0	13	8	1	1	1	1	11	8
1697	1765	0	18	0	1	1	7	0	13	6	1	2	0	1	13	2

[N. B. Oats are fuppofed 3-4ths of the value of barley; rye 2-3ds that of wheat; and barley is fuppofed to coft 3s 7d per quarter to convert it into malt for home confumption. See the *Three Tracts*, p. 115.]

An Account of the total Amounts and annual Averages of the feveral Bounties *which have been paid for Corn exported from England from* 1697 *to* 1765, *being Sixty eight Years.*

Names	Quantities. qrs.	b.	Bounty per qr. s.	d.	Sums total. l.	s.	d.	Annual. l.	s.	d.
Barley	2,543,096	-	2	6	317,887	0	0	4,674	16	2
Malt	13,653,186	6	2	6	1,706,648	6	10½	25,097	15	5
Oatmeal	127,056	4	2	6	15,882	1	3	233	11	4
Rye	2,488,206	2	3	6	435,436	1	11	6,403	9	5
Wheat	14,332,435	3	5	0	3,583,108	16	10½	52,692	15	5
Total qrs.	33,143,980	7			£. 6,058,962	6	11			
Ann. Export	487,411	3			Annual Bounty 89,102			1	7	0

Note. In all thefe calculations the Export from Michaelmas to Chriftmas 1696 is taken as part of 1697, which is inclufive, and 1765 exclufive.

[N. B. The above table for want of documents is not made up from the commencement of the bounties; probably (fays the author of the *Three Tracts*, p. 119) becaufe 'the export was not confiderable enough for notice; as a 'courfe of nine years cannot be thought too long to have elapfed before the 'laws could operate fo far, as to enable *us* to export any material quantity, 'who before they took place ufed to be frequently importers.' The author then continues as follows: 'During the foregoing period of fixty-eight years 'the *export* hath (with fome exceptions) been prohibited four feveral times, 'viz. from 10 Feb. 1699 for one year, from 18 Nov. 1709 to 29 Sep. 1710, 'from Dec. 1740 to 25 Dec. 1741; and from Dec. 1756 to 27 Dec. 1757; 'which laft prohibition was prolonged to 25 Dec. 1758 and continued to 25 'March 1759.—And from 12 Feb. 1700 to 29 Sep. 1700 no bounty was 'paid on any corn exported; nor was any payable on oatmeal exported till 'I May 1707.—Which prohibitions, non-payment of bounty, and none 'being paid on oat-meal at firft, would all together make a confiderable de-'duction from the monies in the preceding table, could we diftinguifh their 'amount.' See the *Three Tracts*, p. 119.]

Average of the Quantity of each Species of Grain annually imported.

Years. from	to	Barley. No.	qrs.	b.	Oats. qrs.	b.	Oatmeal. qrs.	b.	Rye. qrs.	b.	Wheat. qrs.	b.
1697	1706	9	40	2	228	4	—	4	441	3	292	4
1706	1726	20	94	-	3,231	1	29	5	—	-	115	5
1726	1746	20	2,403	4	23,515	6	1	1	9,317	4	6,404	2
1746	1765	19	1,310	4	24,987	6	1,106	4	503	-	7,916	2
1697	1765	68	1,106	-	14,878	7	318	2	2,939	4	4,168	2

Note. The importation of malt is prohibited, and yet 381 qrs. 4 b. have been imported fince 1697, which are included in the above account of Barley: And although the oats are here inferted, no notice is taken in the foregoing account of exports, of either oats, beans, peafe, or any grain, on which no bounty is given; the quantity of the firft, it muft be acknowledged, is very fmall, but the quantities of the two laft are at fometimes pretty confiderable.

General Accounts of the Quantities of all the Corn exported and imported *and the annual Averages thereof* compared.

Years. from	to	No.	General Accounts. Exports	Imports	Exports exceed
1697	1706	9	1,668,904	9,028	1,659,875 2
1706	1726	20	8,134,196	69,409 3	8,064,787 2
1726	1746	20	9,488,703	7 832,851 1	8,655,852 0
1746	1765	19	13,852,176	3 680,651 0	13,171,525 3
1697	1765	68	33,143,980	7 1,591,940 2	31,552,040 5
Years. from	to	No.	Annual Averages. Exports	Imports	Exports excee
1697	1706	9	185,433 6	1,003 1	184,430 5
1706	1726	20	406,709 2	3,470 4	403,238 6
1726	1746	20	474,435 1	41,642 4	432,792 5
1746	1765	19	729,061 7	35,823 6	693,238 1
1697	1765	68	487,411 3	23,410 7	464,000 4

General Accounts of Corn confumed, &c.

	Growth		Confumption		Export		Import
Barley	4,603,272	—	4,433,125	—	171,253	—	1,106
Oats	4,240,947	—	4,252,725	—	3,737	—	15,515
Rye	1,063,652	—	1,030,000	—	36,591	—	2,939
Wheat	4,046,603	—	3,840,000	—	210,771	—	4,168
	13,954,474 qrs.						
Seed	1,395,447						
	15,349,921	—	13,555,850	—	422,352	—	23,728

[N. B. The quantity of exports and imports in this table differs a little from what is ftated in the other tables, which are cuftomhoufe accounts; owing to the prefent table reducing the malt into barley, and the oatmeal into oats; three quarters of malt being allowed for two of barley, and two quarters of oats for one of oatmeal. See the Three Tracts &c. p. 144-5, compared with p. 115 and 128. *Ib.*]

ſixteen tenths.') (See the *Three Tracts* &c. p. 50. See alſo ib. 177.)—Mr. Neckar ſays, 'that for half a century the importation into France has not borne a greater proportion to its total conſumption, than one or two per cent. and yet prices have often riſen 25, 50, and even 100 per cent. It is true the importation cannot always have been made in the quantity and at the moments when wanted, but this conveys a terrible ſatire upon the late corn laws of France; eſpecially as Mr. Neckar adds, that a remarkable failure in crops has been rare, and theſe fluctuations in price very frequent. (See his treatiſe *Sur la Légiſlation & le Commerce des Grains*, 3me edn. *Seconde Partie*, p. 137-8.)

6. Bounties on the exportation and duties on the importation of grain, are ſuſceptible of conſiderable management. Bounties on exportation for example may be given when grain is very low; they may diminiſh *proportionally* as grain riſes; and when it arrives at ſuch a price, as ſhall be ſufficient for encouraging the cultivator and as much as natives ought to pay, they may ceaſe intirely: and again, when the bounties on exportation ceaſe, the duties on importation may leſſen, and go on leſſening *proportionally* as the price of the commodity in the home market riſes. Great delicacy alſo is requiſite in fixing the ſtandards for theſe ſeveral caſes. I ſay, the grain trade is ſuſceptible of management in theſe reſpects, where the ſyſtem of bounties and duties is in force:—But in this country, the management in queſtion has by no means been obſerved. In the laſt century, in particular, the ceaſing of the bounty and the commencement of a duty, made an abrupt change of 25 per cent. in ſome caſes in the commerce of grain whenever the market price roſe the ſmalleſt poſſible fraction above a certain ſtandard. Such jumps in trade muſt embarraſs the arrangements of ſpeculators and be attended with great inconvenience to the public. (See *Three Tracts* &c. p. 80-84, and *Smith's Wealth of Nations*, B. 4. C. 5. at the concluſion.)

7. 'If the crop hath failed, it begins to be felt in London in *October*; 'and if it is nearly expended, it is known in *April*.' (See *Three Tracts* &c. p. 84.)—The period (ſays Mr. Neckar) when corn is cheapeſt in the greateſt part of France is from the beginning of November to the end of January. (Treatiſe *ſur la Légiſlation* &c. as above. *Partie Seconde*, p. 109.)

8. 'The common price of wheat through Europe varies but little. It is 'notorious, that it is never below 18 livres the ſetier (that is 24, the charge 'of Rennes) and that it ſcarcely ever riſes above 22: therefore the average 'price is 20 livres.' (See the tranſlation of M. De Caradeuc de la Chalotais's ſpeech to the parliament of Brittany in the *Three Tracts* &c. p. 219.)

N. B. The author of the *Three Tracts* ſtates a ſetier of wheat when at 20 livres, as equal to £1 13 6d ½ for the London quarter. See ib. — Mr. Neckar however ſays that corn has long been cheaper in France than in England; and he ſtates the difference upon an average at 20 per cent; and ſays that it is to be dated from the period *when our ſyſtem of bounties commenced in England*, Treatiſe *Sur la Légiſlation* &c. as above. *Partie Seconde*, p. 19.

9. 'The author of *Réflexions ſur la Police des Grains en France, et en Angleterre*, in order to convince the French that ſo much corn cannot be exported from France, as to be hurtful, whilſt *other* nations have ſo much to ſpare; gives (at p. 49) the annual average of the exports [of other nations] from Europe as follows; viz.

	Setiers
'England for 25 years average	1,020,000
'Poland, Dantzick, the North, and Holland	7,350,000
'Sicily, Barbary, and Archipelago	1,630,000
	10,000,000

'That is, about 5,417,000 quarters London meaſure; and if the growth 'of France as he ſays excluſive of the ſeed is 35,000,000 ſetiers (or '18,958,33 London quarters) what reaſon can the French have to fear 'that *too* great a quantity will be exported by *them*, when the exports of 'all Europe do not amount to one third of their own growth? And as 'our growth beſides ſeed appears to be two thirds of theirs, our fears ſeem 'much worſe founded (at leaſt in common caſes and when the want is not 'general throughout all Europe;) ſince the number of people in England is 'never eſtimated at half the number of thoſe in France.' See *Three Tracts* &c. as above, p. 227-8.

10. Every year gives new aſſurances of the improbability of a famine taking place from the want of grain, in any part of Europe where common prudence is uſed. North America offers a new aſſociate in our grain ſyſtem; potatoes and other articles of food vary our reſources; commerce becomes more and more free in moſt European countries, both internally and externally; and the agriculture of theſe countries is in a ſtate of equal improvement; to ſay nothing of the poſſibility of the eaſtern quarters of Europe ſoon offering larger ſupplies of this commodity, than heretofore.

11. An author of the firſt conſideration, to whom the age is deeply indebted, and whoſe work if abridged and ſomewhat differently arranged would become the manual of every reflecting politician, has aſſerted (See Smith's

Wealth

Wealth of Nations, B. 4. C. 5. near the concluſion) that though great nations can ſcarcely ever ſuffer from the exportation of their corn, yet in a Swiſs canton or ſome of the little ſtates of Italy, it may perhaps ſometimes be neceſſary to reſtrain it; as the ſupply of a neighbouring large country laboring under dearth and under a contracted ſyſtem of corn laws, may expoſe the ſmaller ſtate to the danger of an equal dearth.—I ſhould rather ſuppoſe, if the ſmaller ſtate was open like Holland to the general market of Europe, that the demand for grain on ſuch an occaſion would greatly contribute to enrich the ſubjects of the ſmaller ſtate, by making them the channel of a great and lucrative trade. If the ſmaller country is ſuppoſed to labor under bad laws which impede its intercourſe with other countries, what it undergoes in this caſe is a voluntary, and not a neceſſary calamity; and not meriting conſideration in this place.—*A ſmall inland* ſtate therefore which is inacceſſible to foreign ſupplies, ſeems the only one likely to be neceſſarily affected by larger ſtates in its neighborhood purchaſing conſiderable quantities of grain in its markets. Such ſmall inland ſtates therefore ought to form granaries againſt a time of diſtreſs; and the difficulty of land-carriage which prevents its markets being repleniſhed with eaſe, will operate in a certain degree againſt their being eaſily exhauſted.

12. Mr. Neckar gives the following account of the reſtraints to which the commerce in grain when he wrote his treatiſe, was liable in various countries neighboring to France. 'In Italy grain is always exported by 'licences, which are ſuſpended or renewed every ſeaſon; in Switzerland 'and in Savoy an abſolute prohibition has prevailed for many years; the 'greater part of the Auſtrian ſtates bordering upon France, follow the ſame 'practice; in Auſtrian Flanders, exportation is only occaſionally permitted; 'in England, it is forbid after grain has riſen to a certain price; in the 'Levant it is permitted or forbidden, according to circumſtances; in Bar-'bary, they limit the quantities; in Spain and in Portugal, they are in 'continual want; and even in Sicily, whoſe only object is cultivation, 'exportation is not permitted till they are aſſured that a ſufficient pro-'viſion remains in the country.' (See his Treatiſe *Sur la Légiſlation* &c. as above, *Premiere Partie*, p. 57.)

13. The following particulars reſpecting France are ſelected from Mr. Neckar's Treatiſe juſt quoted. Stating the conſumption of bread at one pound and a half for each perſon and the population of France at twenty-four millions; he ſuppoſes that the corn neceſſary for each perſon amounts to two ſeptiers annually, and to forty-eight millions of ſeptiers in the whole.

Computing

Computing the ſeptier at 20 livres upon an average, he ſays, this makes a value in the whole of 960 millions of livres; and adding to this the remains of the preceding crop, without reckoning the ſeed, we have 1000 millions of livres for the value of the ſtock in hand at each ſeaſon of harveſt. He conceives however, that for ten years preceding the time of his writing, France had imported more corn than ſhe had exported. (See as above *Partie Premiere*, p. 59, 215, and 20.)

14. It appears in the tables extracted from the *Three Tracts &c.* (See above, p. 106) that the annual export of England upon an average and under the operation of a ſyſtem of bounties, is ſuppoſed barely to have amounted to the thirty ſecond part of our annual conſumption; while the annual average import made under certain reſtraints, has only been the five hundred and ſeventy-firſt part of it. Upon conſulting the work in queſtion, we find in another part of it, that the greateſt inſtance of annual export (viz. in 1750) did not amount to one ninth part of our computed ordinary annual conſumption; and our greateſt inſtance of annual import does not appear to have been worth naming. (See the *Three Tracts &c. above mentioned*, p. 144-5, with the tables in the preceding pages of that work, upon which this aſſertion is founded.)

15. Mr. Neckar having ſtated various inſtances, in which corn has riſen materially in conſequence of its exportation being permitted, it may be allowable to cloſe this long poſtſcript with the following remarks. Firſt, corn can never riſe much, or continue long, above the ordinary market price prevailing for it in commerce at large, (unleſs in the ſingle caſe alluded to in the 11th article of this poſtſcript,) if a perfect freedom both of importation and exportation be allowed for it at one and the ſame time; for no country fairly connecting itſelf with the general market and allowed to take its meaſures *in time* can ever experience great fluctuations. Next, the evils of a non-importation plan, as they generally make the ſequel of a non-exportation plan, ſo ought they to be taken into account upon this occaſion as a counter-balance of the ſuppoſed advantages of the non-exportation plan. Thirdly, in the chapter of the preſent work to which this poſtſcript belongs (ſee p. 88-9,) I have endeavored to ſtate the favorable conſequences of a natural riſe in the nominal value of produce, the quantity of this produce not being ſuppoſed diminiſhed in order to create the riſe; which ſtatement I need not therefore repeat. Indeed the whole of what I have written in this treatiſe goes to ſhew the benefit ariſing from every nation and every great claſs of people in a nation, making the moſt of what they poſſeſs, in a fair

market.

market. Farther, the natural remedy to the increaſe of price in corn, is an increaſe following in its production; and accordingly we find that after the edict of 1764 had permitted an exportation, its production in France is on all hands agreed to have increaſed. Laſtly, great revolutions in commerce ought never or at leaſt rarely to be ſudden; and particularly in an object of ſuch magnitude and delicacy as grain. The author of the *Three Tracts* &c. ſo often quoted, mentions the inconvenience attending a ſudden freedom given to, and afterwards withdrawn from, the commerce in grain, ſome years ago in Turkey. (See his treatiſe as above, p. 33-4.) The very feelings of the people form an eſſential object of attention, even where they are not particularly favored in their liberties. 'In every country (ſays M. Neckar) where the people without being debaſed by ſlavery, meddle neither 'in legiſlation nor adminiſtration, it is difficult to reaſon with them, and 'dangerous without precautions to command them: they muſt be conducted 'like an irritable child; they muſt have addreſs employed with them rather than force, be habituated before they are directed, and led inſtead of 'being conſtrained.' (See his treatiſe above cited, *Partie ſeconde*, p. 161, 92-3, and *Partie premiere*, p. 85.)

CHAPTER VI.

Of the Navigation Laws of Great Britain.

THE navigation laws of our empire have been particularly celebrated as well by foreigners as ourſelves.—It will not delay us much to ſee the hiſtory of ſuch of them as have had any conſiderable operation, and have been of a general nature.

In

In Queen Elizabeth's reign (1562,) the carriage by ſea of corn, wine, and other articles, and the taking, curing and carrying by ſea of fiſh, were regulated with a view to "the maintenance and increaſe of the navy." But in 1651 the long parliament of the common-wealth from jealouſy to the growing navigation of the Dutch, enacted more generally, that no commodities (colony or other) ſhould be *imported* into the empire, unleſs in veſſels ſolely owned and commanded, and principally manned by ſubjects of the empire; and, where the commodities were foreign, unleſs intirely conveyed in ſuch veſſels from the ſpot where the commodities grew, or were uſually in the firſt inſtance tranſported by ſea. Goods however, originally produced or firſt tranſported by ſea from an European ſtate, and thence imported into the empire in veſſels owned by the ſubjects of that ſtate, were excepted; as well as ſome other peculiar caſes. — Theſe principles underwent conſiderable variations in 1660 and 1662 by what is commonly deemed our navigation law *. Reſpecting our colonies, for example, none but the ſhipping of the empire were allowed to carry commodities *to* them, nor yet *from* them; and certain "enumerated † commodities" could not even then be carried from them out of the empire, without being firſt unladen in ſome other part of

* 12 Ch. II. c. 18, and 13 and 14 Ch. II. c. 11. The Navigation Act of the Long Parliament of the Common-wealth becoming extinct after the reſtoration of Charles II. as the act of an uſurped power, its proviſions as far as they were adhered to were re-enacted by the Reſtoration Parliament.

† Viz. Sugar, tobacco, cotton, &c. Hence the phraſes in our commercial writers of *enumerated* and *non-enumerated* commodities. — Some of the enumerated articles however were afterwards allowed to be carried by a direct courſe, in ſhips of the empire, to places ſouth of Cape Finiſterre.

the

the empire. Again, (to paſs over various ſpecific proviſions) no veſſel was deemed to belong to the empire that was not built ‡ (as well as owned) in it; nor to belong to a foreign ſtate, unleſs it had been at leaſt built in that ſtate; and unleſs in each caſe the maſter and not *fewer* than three-fourths of the mariners, were ſubjects of the nation in queſtion. — Such have been the great rudiments of our Britiſh navigation laws; which have ſince been rendered more and more rigorous in their principle, though they have been modified as to ſome particular hardſhips which had followed from them.

We have now to make the following obſervations.

1. It appears from this account that there was at leaſt *one nation* (the Dutch) which knew how to profit by the freedom of navigation; and that England inſtead of emulating that nation and attempting to make herſelf a joint carrier with her for the world at large, prompted other nations by the precedent ſhe gave, to adopt excluſive ſelfiſh navigation laws on their ſide.

2. We may perceive that the long parliament judged more wiſely of the means for increaſing *ſailors*, than the ſucceeding reſtoration parliament; by omitting to inſiſt upon any particular *country* where ſhips ſhould be conſtructed.—Liberty being allowed to purchaſe ſhips where they were found cheapeſt, freights muſt become more reaſonable, and ſailors increaſe in conſequence. By in-

‡ By the former of the acts of Charles II. it was ſufficient with reſpect to the veſſel, if ſhe was *either* owned or built at home; but by the latter of theſe acts, both circumſtances were rendered indiſpenſible.

troducing new ſpecimens of ſhip-building into the country, ſailors and ſhip builders would each poſſeſs a means of improving their ſkill. An increaſe of the number of merchant-ſhips, would alſo increaſe the probability of profitable occupation, in the repair of them. The leſs native timber likewiſe was conſumed in mercantile veſſels, the more would remain for the public navy and for domeſtic uſes; (a conſideration of high importance, as oak-timber is of ſlow growth, and our own is not only deficient in quantity, but is ſuperior in quality to any that can be imported.)—In ſhort, the long parliament ſeemed to feel that it was the profeſſional man that was wanted, to transfer on board the public navy, in time of war; and not the machine for carrying goods, which is always procurable from foreigners when the merchant or tranſport ſervice requires it, and little ſerves the purpoſes of war.—— Modern examples confirm this natural principle; by ſhewing that ſhip-building, the growing of timber, and the number of ſeamen, may eaſily exiſt without any connection one with another. Holland for inſtance, without any native timber and though building upon awkward models, has had numerous freights and ſeamen and a conſiderable navy. France, with little timber and comparatively few *merchant* ſeamen, has exhibited a numerous navy, built (by the help of the mathematicians it has employed) on models more perfect in various reſpects than our own. America on the other hand, though accuſtomed to build ſhips for ſale upon ingenious models, and though not deficient in ſeamen, has found herſelf unable to keep even frigates at ſea; while

other

other nations, ſcarcely to be called maritime, borrowing their models (like the Romans of old) from others, have with the utmoſt eaſe abounded in ſhips of war, as far as theſe alone can give maritime ſtrength. — In ſhort, trading and not naval ideas, principles of monopoly inſtead of principles of defence, and a love of artiſts rather than of ſeamen; appeared to direct the reſtoration parliament in this part of its navigation law.—It would have done more wiſely to have abated, rather than increaſed the ſtrictneſs of the commonwealth law, by granting privileges in her ports to all ſhips of all countries, whenever navigated with a certain portion of her own officers and ſeamen*.

3. Having conſidered our navigation ſyſtem as a meaſure of politics and as a ſcheme for encouraging the ſhipbuilding manufacture; we come laſtly to view it as a project of œconomy. — Permanent laws for inforcing the uſe of cheap and convenient modes of conveying maritime commodities, ſeem ſuperfluous: It is therefore *defence*, rather than gain, which ſhould form the great object of navigation laws. But I think it may be fairly contended that we have taken the moſt expenſive mode of providing for defence. — Our preſent navigation laws (if they act at all, and without acting they are of no moment,) impoſe the burthens which follow: firſt, the extra expence of a native navigation, in thoſe caſes where a foreign navigation could be had cheaper; next, the frequent delay of

* The French in an edict of Dec. 29, 1787, paſſed in favor of the Americans and in many reſpects full of political wiſdom, have ſhewn that the place of the conſtruction of ſhipping is not an object of their firſt attention. —It is ſtill wonderful however that both England and France ſhould continue to regulate the commerce of the United States with their Weſt India iſlands, upon a bigotted and temporary plan; eſpecially as good ſenſe would have a double advantage in favor of the power that ſhould firſt employ it.

waiting for native opportunities; thirdly, the extra delay, riſque, damage of goods, and loſs of intereſt of money upon the inveſtment at ſtake, whenever the laws render the voyage unneceſſarily circuitous; laſtly, the check to the increaſe of trade (either in the way of ſale, purchaſe, or agency) which often occurs from one or other of theſe obſtacles. Though burthens of this kind which are not meaſured and recorded in office books, ſeldom affect the minds of mechanical ſtateſmen; yet they certainly merit the attention of the public. If we reflect at the ſame time, that navigation laws operate through long periods of peace with great ſtrictneſs (being indeed uſually imperfectly obſerved during war) we ſhall find that theſe laws on the whole form an expenſive ſchool for ſeamen; and if we conſider farther, that it is a ſchool *only* that they ought to form, and not a *trap* for erecting a claim afterwards to the impreſſed and involuntary ſervices of ſeamen, we ſhall eaſily ſee that our maritime defence is to be accompliſhed by better methods than thoſe we have choſen. — For example, why may not the body of ſeamen that is conſtantly kept in pay in our guardſhips be made rotatory; by diſmiſſing half of the private ſeamen every ſix or twelve months, and replacing them by landſmen? Why may not the body of ſeamen maintained in peace, be increaſed in ſuch proportions, as the national ſavings here propoſed and the neceſſity of preparing ſeamen for a time of war, ſhall warrant? And as ſea-occupations are faſcinating to many young people, why may not naval arts and ſciences be taught more currently throughout the country than at preſent; to give opportunities for propagating the infection in queſtion, as well as to render naval talents more

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general. Why have we not the experiment of a ſea-militia tried with reſpect to private ſeamen? And why is there not a law to fix a quota of ſeamen, to be furniſhed by each diſtrict of the realm, in caſe of war? — It does not require much acquaintance with mankind, to foreſee the outcry that would probably occur, were any of theſe ſchemes to be propoſed for execution; but let us conceive that navigation laws were now for the *firſt time* in contemplation. Is there any ſenſible man in Britain ſo prejudiced, as not to ſee that a project that ſuffered maritime commodities to be conveyed to or from us only in bottoms of a particular fabrick, and prohibited various trades unleſs through the medium of a double voyage, with a view to prepare a body of *merchant* ſeamen, out of which the ſtate (for the purpoſe of any war or of any ſtation) might violently ſeize any numbers that it might want; I ſay, is there any man, who thinks that ſuch a project would be well received in a country of chriſtianity, of liberty, of knowledge, and of arithmetical calculation? Surely the propoſer of this, as a *new* law, would be viewed with the moſt decided horror; and any of the ſchemes I have mentioned, whatever fancied inconveniences may *now* be ſuppoſed to belong to them, would ſeem preferable.—I ſhall add nothing farther; except to ſuggeſt, that *peace* is the time beſt fitted for a practical review of the preſent queſtion.

CHAP.

CHAPTER VII.

Of the Intereſt of Money.

I COME now to the laſt queſtion reſerved for diſcuſſion in the Appendix, though not for deciſion; namely, *The regulation of the intereſt of money.* It is neceſſary to ſpeak of it here, as I have purpoſely omitted to notice it when treating of the beſt general means of encouraging commerce.

Intereſt of money is uſually a tribute to the wealthy or to perſons without occupation; whereas the loans themſelves upon which ſuch intereſt is paid, are much oftener applied to uſeful enterprizes or to juſt occaſions than merely to ſupport luxury or eaſe. It is not wonderful therefore that borrowers find more favour with the public than lenders.—At the ſame time (we muſt add) whenever governments reduce the rate of intereſt in favor of borrowers; they generally wiſh to leave it at, or only a little below, the ſtandard which would naturally occur for the majority of loans; that the attachment which men of property naturally have to home ſecurities, may not be too much impaired. If the rate ſhould be fixed too low, lenders would venture their money abroad, or elſe uſury would in defiance of laws creep in at home; and to puniſh uſury in the latter caſe, would only make the uſury the greater, as the lender would demand an additional premium as an indemnification for this riſque.

Laws in Great Britain limiting legal intereſt to five per cent. certainly have not wholly prevented uſury; nor did they when intereſt was authoriſed at ſix or ten per cent. nor can the urgent occaſions of the needy be prevented, or the tricks of men of addreſs who pretend to ſupply relief to ſuch be always detected or defeated. — But I believe the breaches of the laws againſt uſury are confined to fewer and to leſs flagrant caſes, than is commonly apprehended. Many loans paſs under the cognizance of numerous witneſſes *; the rate of another claſs of loans is fixed by habit; and the rate of another claſs, where no contract has taken place, is decided retroſpectively by the law; which, with the natural circumſpection of lenders, who will wiſh not to debar themſelves from uſing the influence of the law and of character for the recovery of diſputed debts, are ſo many ſeveral proofs that moderate laws againſt uſury have conſiderable effect. Indeed where law and practice nearly coincide, they generally at length coincide entirely; and therefore I ſuſpect, that (except thoſe artful emoluments which craving creditors are apt to ſuperadd to *every* rate of intereſt,) we have comparatively but little uſury occurring in this country; except in thoſe caſes where the *principal tranſaction* itſelf is of a nature to be held dubious in courts of law or by the feelings of mankind, or elſe where the caſe is novel in its appearance, or laſtly where it is ſo evidently equitable that character cannot ſuffer from the diſcloſure of the inſtance.—In ſhort, the caſes are ſo many where the law has effect, in conſequence of its not varying much from the natural courſe of things; that it operates in many other caſes by the force of habit alone, and becomes a ſort of ſtandard in a con-

* As clerks, agents, lawyers, executors, guardians, truſtees and others.

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cern which in every other view of it is governed by arbitrary calculations.

Such ſeems to be the *power* of temperate laws on the ſubject of intereſt. — As to the beneficial *tendency* of ſuch laws, I have already remarked that the majority of thoſe who borrow, are likely to be perſons meriting protection. There is alſo no doubt that commerce, manufactures, agriculture, and every other object in which money is uſed, and where its uſe is paid for, muſt flouriſh by the fall of intereſt, (not excepting the inſtance of the lender himſelf, as far as he is conſidered merely as a part of the general public.)— But whether theſe are ſufficient grounds for invading that freedom of action which in general is due both to individuals and to commerce, is a queſtion upon which I ſhall not here decide; though I hope it will at ſome period or other be determined by fair and by repeated *experience*, how far intereſt ought or ought not to have its ultimatum fixed by laws*.

I ſhall only add therefore the following remarks. — It cannot be diſſembled that caſes often occur, where an uniform regulation of the intereſt of money has inconveniences. For example; it is well obſerved that one rate of intereſt may be admitted for a caſe of low wholeſale, and another for that of high retail profit; one for a caſe of capital to conduct buſineſs, and another for a caſe of extraordinary occurrence and diſtreſs in which it is

* It may in any event be proper to fix by law, what rate of intereſt ſhall be allowed in caſes where the rate has not been previouſly determined by private contract; and yet, where the equity of ſome charge for intereſt is undoubted. At leaſt, ſome mode ſhould be pointed out for the deciſion of this rate; ſuch as a reference to arbitrators, or to a court of law or of merchants. — But a proviſion of this kind it is to be obſerved, is diſtinct from the eſtabliſhment of a *general* ſyſtem of laws for regulating intereſt.

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in queſtion to reſtore buſineſs; one for a caſe of great and another for one of ſmall riſque; and ſo for other inſtances. Conſiderable however as theſe ſeveral difficulties are (ariſing from the limitation of intereſt by laws) contrivances may perhaps be adapted * for remedying or diminiſhing

* Commiſſioners may be appointed to lend, or to authoriſe others to lend, in particular inſtances, at higher rates of intereſt than the common; general or particular inſurance offices may be inſtituted for ſeparating the charge for the riſque of money, from the charge for the uſe of it; or public banks may be privileged to lend at an increaſed rate upon the pledge of ſhop goods or other uſeful property, rather than to idle perſons upon the depoſit of apparel and trinkets.

A plan for loans from the public purſe at a high rate of intereſt under the conduct of adminiſtrators, is given in a late publication intitled "*The* "*Increaſe of Manufactures, Commerce and Finance, with the Extenſion of* "*Civil Liberty, propoſed in Regulations for the Intereſt of Money*" A bank called the *Mont de Piété* for loans on pledges, at a high intereſt (ſuch loans ſeeming extended even to youthful ſpendthrifts) has been inſtituted ſince 1777 at Paris, (for the account of which ſee M. Neckar on the Adminiſtration of the Finances, Vol. III. Ch. XXII;) and other examples on the continent of Europe might be cited of a like nature.—For the Engliſh ſyſtem reſpecting pawn-brokers (whoſe loans muſt not exceed £10 ſterling and who ſeem eſtabliſhed with a view to *deſtroy*, rather than to continue the credit of expenſive perſons, their charge being £20 per cent. per annum.) See the 24 Geo. III. ch. 42. — The *Mémoires ſur les Chinois* publiſhed at Paris in quarto (ſee vol. iv.) intimate (in an expreſs and long article upon the ſubject of the intereſt of money) a ſimilar deſign in the Chineſe government. Indeed the high intereſt on money in that country (of near £30 per cent. per annum) is ſuppoſed by the writer of the article in queſtion in theſe *Memoirs*, as intended to anſwer the *further* purpoſe of making monied men diſinclined to landed purchaſes; in order that the land in China may oftener remain *owned and cultivated in ſmall portions* by the induſtrious poor and middling ranks of people. (p. 361 &c. and p. 336 &c.)

In the caſe of banks inſtituted for loans at a high intereſt on an extenſive ſcale, it may perhaps be found proper to eſtabliſh in certain caſes, a circulation of intelligence between ſuch and the uſual great public banks for diſcount in the ſame country.

them; in which caſe the proviſion of *legal* opportunities for ſupplying the ſeveral occaſions which individuals may have for money, would be found the beſt preventative againſt extortioners (whoſe inſenſibility as was intimated above, increaſes with their offence.) — But in ſaying this, I muſt at the ſame time obſerve that particular projects, however ſpecious, may fail of their intended effect, either from inſufficiency or from abuſe. In theſe circumſtances, an abolition of all regulations whatever of the rate of intereſt, may perhaps be made an ultimate reſort for curing inconveniences; and, if accompanied with proper general meaſures for confirming public and private credit, may produce the wiſhed for ſucceſs.

Two inſtances within our own time, ſhew the power of circumſtances in theſe caſes, diſtinct from laws. — Before the American war, while legal intereſt was at 5 per cent. the Bank of England diſcounted in various caſes at lower rates, and lands were mortgaged at 4 per cent. At the cloſe of the ſame calamitous war, the Britiſh government, (liberating itſelf from the curb of its own uſury laws) found it practicable to borrow upon a criticiſed ſecurity at $5\frac{1}{2}$ per cent. (with the addition of a few momentary charges for agency, prompt ſupply, inſurance againſt an uncertain market for reſelling its ſecurities, and the uſual compliments paid to candidates for miniſterial favor.) — Theſe inſtances ſhew that the *natural courſe* of things is often as deciſive in its effect, as laws; ſince in the one caſe the market rate of intereſt ſtood below and in the other only a little above the legal ſtandard, governed in this reſpect by the ſtate of circumſtances, rather than by rules.

The laws which prohibit *compound* intereſt in all caſes whatever, ſeem evidently founded in miſtake or in ignorance of buſineſs.—When the lenient creditor ſuſpends his demand of intereſt for the accommodation of the debtor, this favor deſerves as high a rate of return, as the loan of the principal money itſelf; and intereſt upon the intereſt ſhould in ſuch caſe be authoriſed by the laws; eſpecially if the delay of payment ariſes from a breach of contract in the borrower. Whatever the lender might have lawfully demanded, and when received might inſtantly have converted into principal-money (by placing it in the hands of the ſame or of another borrower,) ought not to be prohibited being *compounded* with the original principal, and yielding an equal intereſt with that principal; for laws ought to proceed upon fixed theories, and not upon forms. If a demand therefore can be proved to have been made for due payment of intereſt which has not been complied with, that demand ought *ipſo facto* to convert the accruing intereſt into a principal.—Debt ſhould not be allowed to accumulate upon any one by ſtealth; but it is a falſe policy which ſuppoſes the debtor always intitled to tenderneſs, and the creditor never; and a policy which if carried to its utmoſt length, would operate to cancel the principal debt itſelf.

* See farther on the queſtion of regulating the intereſt of money, Sir Joſias Child's New Diſcourſe on Trade, &c. *(paſſim)* on one ſide; and Mr. Bentham's Treatiſe recently publiſhed on this ſubject, on the other.

FINIS.